

AGENDA
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
550 Olive Street, Santa Barbara, CA 93101
Tuesday, April 27, 2004
8:30 a.m.

1. **Call to Order**
2. **Roll Call of the Board of Directors**
Chair John Britton; Vice Chair Olivia Rodriguez; Secretary Brian Fahnestock; and Directors: David Davis and Lee Moldaver
3. **Report Regarding Posting of Agenda**
4. **Approval of Prior Minutes (action may be taken)**
The Board will be asked to waive the reading of and approve the minutes for the meeting of April 13, 2004.
5. **Cash Report (action may be taken-attachment)**
The Board will be asked to approve the cash report from April 6 through April 19, 2004.
6. **Public Comment**
Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk **before the meeting is convened**, a "Request to Speak" form including a description of the subject you wish to address.
7. **MTD Conflict of Interest Code Revisions (attachment - action may be taken)**
The Board will be asked to accept the revisions to the MTD Conflict of Interest Code.
8. **Review of Proposed Fall Route and Schedule Changes prior to Public Meetings and May 11th Public Hearing (Attachment – no action will be taken)**
MTD staff will review proposed route and schedule changes with the Board.
9. **Drug and Alcohol Policy Updates (attachment - action may be taken)**
The Board will be asked to approve the updated Drug and Alcohol Policy.
10. **Quarterly Financial Report (attachement)**
The MTD Staff will present the Quarterly Financial Report.
11. **MTD Board of Director Committees**
The Board will have a discussion regarding Board Committees.
12. **General Manager's Report/Update (attachment-no action will be taken)**
 1. Downtown Waterfront Electric Shuttle fare and service
 2. Property insurance renewal
 3. Bike racks
13. **Other Business and Committee Reports**
14. **Adjournment**

SPEAKERS: Any person wishing to speak to an item on the Agenda should complete and deliver to the Board Clerk a "Request to Speak" form **before the meeting is convened**. The Chair may limit the time allowed to speak.

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

**Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of April 27, 2004
For the Period April 6, 2004 through April 19, 2004**

MONEY MARKET

Beginning Balance April 6, 2004 **\$2,593,550.02**

State Capital Assistance	436,113.00	
Passenger Fares	143,821.68	
Accounts Receivable	51,030.57	
Miscellaneous	722.79	
Total Deposits		631,688.04

ACH Pension Transfer	(22,949.08)	
ACH Tax Deposit	(81,817.50)	
Payroll Transfer	(191,035.90)	
Operations Transfer	(1,476,639.28)	
Total Disbursements		(1,772,441.76)

Ending Balance **\$1,452,796.30**

Total Cash and Investments as of April 19, 2004: **\$1,452,796.30**

COMPOSITION OF CASH BALANCE

Working Capital	319,444.76	
WC / Liability Reserves	1,133,351.54	
Total Cash Balance		\$1,452,796.30

Santa Barbara Metropolitan Transit District Accounts Payable

Check #	Date	Company	Description	Amount	Voids
78201	4/9/04	BAUTISTA, JOSE	AD MOUNTING/DISMOUNTING	70.00	
78202	4/9/04	BETTS SPRING COMPANY	EV BUS PARTS	2,214.05	
78203	4/9/04	BOWMAN DISTRIBUTION	SHOP SUPPLIES	143.67	
78204	4/9/04	BRITTON, JOHN	DIRECTOR FEES	180.00	
78205	4/9/04	CHANNEL CITY ENGINEERING DBA	BUS REPAIRS	330.00	
78206	4/9/04	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	190.46	
78207	4/9/04	COX COMMUNICATIONS	INTERNET & CABLE TV	317.65	
78208	4/9/04	COVERALL OF MID-STATE CALIF. INC.	JANITORIAL SUPPLIES/SERVICE	1,931.00	
78209	4/9/04	BP DAVIS MANAGEMENT	CONTRACT LABOR	2,837.50	
78210	4/9/04	DAVIS JR., DAVID D.	DIRECTOR FEES	180.00	
78211	4/9/04	DILLINGHAM TICKET CO.	BUS TRANSFERS	668.66	
78212	4/9/04	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	350.00	
78213	4/9/04	EASY LIFT TRANSPORTATION, INC.	ADA SUBSIDY	28,889.00	
78214	4/9/04	FRUIT GROWERS LABORATORY, INC.	STORMWATER TEST	582.00	
78215	4/9/04	FAHNESTOCK, BRIAN	DIRECTOR FEES	180.00	
78216	4/9/04	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	7,178.95	
78217	4/9/04	HAYNES SALES DBA	PRESSURE WASHER PARTS	243.46	
78218	4/9/04	HOME IMPROVEMENT CTR.	FACILITY SUPPLIES	99.49	
78219	4/9/04	HUMANA DENTAL INSURANCE CO.	STAFF DENTAL INS.	2,822.75	
78220	4/9/04	J n L GLASS INC.	REPLACE BUS WINDOWS	165.00	
78221	4/9/04	LENZ PEST CONTROL DBA	FUMIGATION	125.00	
78222	4/9/04	MARTINEZ, JUAN	TOOL ALLOWANCE	800.00	
78223	4/9/04	MIKE CUEVAS GARDENING SERVICE	LANDSCAPE MAINTENANCE SERVICE	350.00	
78224	4/9/04	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	509.95	
78225	4/9/04	MOLDAVER, LEE	DIRECTOR FEES	180.00	
78226	4/9/04	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	12,139.80	
78227	4/9/04	PETRO-DIAMOND INC.	DIESEL FUEL	30,369.80	
78228	4/9/04	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	20.42	
78229	4/9/04	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	79.23	
78230	4/9/04	RODRIGUEZ, OLIVIA	DIRECTOR FEES	180.00	
78231	4/9/04	SANTA BARBARA TROPHY	RETIREMENT GIFT	85.00	
78232	4/9/04	SIGN EXPRESS	FAREBOX STICKERS	154.84	
78233	4/9/04	SMARDAN-HATCHER CO.	MISC. SUPPLIES	22.42	
78234	4/9/04	SO. CAL. EDISON CO.	UTILITIES	4,474.04	
78235	4/9/04	SOUTHERN CALIFORNIA GAS	UTILITIES	49.40	
78236	4/9/04	SB CITY OF-REFUSE/WATER	UTILITIES	1,007.77	
78237	4/9/04	TUMBLESON, PAUL	MISC. REIMBURSEMENT	132.68	

Accounts Payable Check Register

21-Apr-04

2:14

Check #	Date	Company	Description	Amount	Voids
78238	4/9/04	TELCOM, INC.	QTRLY. MAINTENANCE BILLING	2,728.80	
78239	4/9/04	TELONIC/BERKELEY	SHOP SUPPLIES	46.55	
78240	4/9/04	UNITED PARCEL SERVICE	FREIGHT CHARGES	165.11	
78241	4/9/04	VALLEY POWER SYSTEMS, INC.	BUS PARTS	609.44	
78242	4/9/04	VALLEY POWER SYSTEMS, INC.	BUS PARTS	743.36	
78243	4/9/04	YELLOW TRANSPORTATIONS	FREIGHT	178.05	
78244	4/15/04	NATIONAL INTERSTATE INS. CO.	LIABILITY INSURANCE	678.86	
78245	4/15/04	NATIONAL INTERSTATE INS. CO.	LIABILITY INSURANCE	339.43	
78246	4/19/04	ARCHBALD & SPRAY	LEGAL COUNSEL	4,717.73	
78247	4/19/04	BROWNING-FERRIS IND	WASTE DISPOSAL	33.00	
78248	4/19/04	CALIFORNIA ELECTRIC SUPPLY, INC.	BUS PARTS & SHOP SUPPLIES	54.08	
78249	4/19/04	CAR PARTS OF SANTA BARBARA	SV/BUS PARTS & SUPPLIES	178.71	
78250	4/19/04	CENTRAL COAST CIRCULATION	DBABUS BOOK DISTRIBUTION	365.00	
78251	4/19/04	COAST MACHINE & SUPPLY, INC.	BUS PARTS	3,922.54	
78252	4/19/04	CLAVERIA, BERTHA	PROPERTY RENTAL/STORAGE	800.00	
78253	4/19/04	COAST CLUTCH & BRAKE DBA	BUS PARTS	511.44	
78254	4/19/04	CINTAS	FIRST AID SUPPLIES	86.20	
78255	4/19/04	CORPORATE EXPRESS INC.	OFFICE SUPPLIES	1,291.90	
78256	4/19/04	CA STATE BOARD OF EQUALIZATION	USER FUEL TAX	1,455.57	
78257	4/19/04	STATE BOARD OF EQUALIZATION	UNDERGROUND STORAGE TANK FEE	1,708.37	
78258	4/19/04	DEPARTMENT OF CHILD SUPPORT	PR GARNISHMENT	599.54	
78259	4/19/04	DEAILE, MARY	PR GARNISHMENT	129.23	
78260	4/19/04	DISTRICT ATTORNEY-S.B.	PR GARNISHMENT	1,049.64	
78261	4/19/04	DONS INDUSTRIAL	BUS PARTS/SHOP SUPPLIES	1,115.74	
78262	4/19/04	FEDERAL EXPRESS CORP.	FREIGHT CHARGES	51.52	
78263	4/19/04	GFI GENFARE, INC.	FAREBOX REPAIRS & PARTS	2,177.67	
78264	4/19/04	GIBBS INTERNATIONAL TRUCKS	BUS PARTS/SUPPLIES	5,925.90	
78265	4/19/04	GILLIG CORPORATION	BUSES AND BUS PARTS	1,186,115.16	
78266	4/19/04	UNITED STATES TREASURY	PR GARNISHMENT	1,105.45	
78267	4/19/04	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,703.62	
78268	4/19/04	MGB INDUSTRIAL SUPPLY	BUS & SHOP SUPPLIES	14.06	
78269	4/19/04	MISSION LINEN UNIFORM SERVICE	UNIFORM & LINEN SERVICE	2,272.94	
78270	4/19/04	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	402.00	
78271	4/19/04	MULLEN & HENZELL	LEGAL FEES ON CALLE REAL	468.00	
78272	4/19/04	NEWARK ELECTRONICS	BUS PARTS	18.78	
78273	4/19/04	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	336.61	
78274	4/19/04	OHIO CHILD SUPPORT PAYMENT	PR GARNISHMENT	274.19	
78275	4/19/04	PETRO-DIAMOND INC.	DIESEL FUEL	10,900.90	
78276	4/19/04	ROGERS & SHEFFIELD ATTORNEYS	LEGAL COUNSEL	252.40	
78277	4/19/04	ROCHA, SUZANNE	PR GARNISHMENT	406.08	

Check #	Date	Company	Description	Amount	Voids
78278	4/19/04	SAN BERNARDINO COUNTY	PR GARNISHMENT	395.54	
78279	4/19/04	SANTA BARBARA BANK & TRUST	PR DEDUCTION	228.99	
78280	4/19/04	SB COUNTY FEDERAL CREDIT UNION	PR DEDUCTION	1,998.00	
78281	4/19/04	SM TIRE, CORP.	BUS TIRE MOUNTING/SV TIRES	765.49	
78282	4/19/04	SO. CAL. EDISON CO.	UTILITIES	1,852.14	
78283	4/19/04	TELCOM, INC.	QTRLY. MAINTENANCE BILLING	420.00	
78284	4/19/04	TEAMSTERS MISC. SECURITY TRUST	UNION MEDICAL/DENTAL	68,153.09	
78285	4/19/04	TEAMSTERS PENSION TRUST	UNION PENSION	58,199.02	
78286	4/19/04	TRANSIT CARE TOURS	BUS PARTS	481.08	
78287	4/19/04	UNITED WAY OF SB	PR DEDUCTION	572.54	
78288	4/19/04	VALLEY POWER SYSTEMS, INC.	BUS PARTS	77.85	
78289	4/19/04	VALLEY POWER SYSTEMS, INC.	BUS PARTS	51.21	
78290	4/19/04	TEAMSTERS UNION LOCAL NO. 186	UNION DUES	7,200.77	
78291	4/19/04	YACO SCHOLARSHIP FUND	PR DEDUCTION	56.00	
				1,476,639.28	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$1,476,639.28

Santa Barbara Metropolitan Transit District Cash Receipts of Accounts

Date	Company	Description	Amount
4/7/04	Borrayo, Manuel & Ruth	Health Insurance	289.70
4/7/04	Calles, Gilbert & Leandra	Health Insurance	398.04
4/7/04	City of SB - Commuter Lot	Commuter Lot Shuttle - March 04	13,792.82
4/7/04	Helm, Warren	Health Insurance	314.70
4/7/04	SB County Schools	Passes/Token Sales	150.00
4/7/04	Zeluck, Louis and Eleanore	Health Insurance	449.70
4/8/04	County of Santa Barbara	Passes/Token Sales	1,000.00
4/9/04	S.B.C.A.G. - K. Epperson	Pocket Map Sponsorship	3,000.00
4/9/04	Santa Barbara Bank & Trust	Advertising on Buses	6,757.50
4/12/04	City of SB - Passes/Tokens	Passes/Token Sales	4,562.50
4/12/04	Crow, William & Louise	Health Insurance	289.70
4/12/04	Davis, Brad	Health Insurance	333.11
4/12/04	Gary Gleason	Health Insurance	89.73
4/14/04	Godzilla Graphics	Advertising on Buses	1,190.00
4/14/04	Santa Barbara Airport	Advertising on Buses	2,633.07
4/16/04	SBCC	Advertising on Buses	15,780.00
Total Accounts Receivable Paid During Period			\$51,030.57

Santa Barbara Metropolitan Transit District

Conflict of Interest Code

Sec. 1 Purpose and Applicability.

As a governmental institution, the Santa Barbara Metropolitan Transit **District (District)** must be vigilant in its protection of the public trust. **Public officials** are bound to observe the highest standards of performance and to discharge faithfully the duties of their office, regardless of personal considerations. The members of the Board of Directors hold office for the benefit of the public and their offices must not be used for the purpose of private gain. This Conflict of Interest Code (Code) is intended to prescribe standards of conduct designed to ensure the honesty and integrity of those **persons** governing the operation of the **District**.

The Political Reform Act, Government Code section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, title 2, section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of California Code of Regulations, title 2, section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Santa Barbara Metropolitan Transit District. Nothing set forth herein is intended to be inconsistent with the regulations adopted by the Fair Political Practices Commission.

Sec. 2 Definitions.

Unless expressly defined herein or in Appendix A, the definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this Code. Terms defined in Appendix A hereto are printed in **bold** type in this Code.

Sec. 3 Public Official.

As used herein **public official** means members and alternates of the Board of Directors, **designated employees** of **District**, and consultants to and contractors of **District** required to file disclosure statements pursuant to this Code.

Sec. 4 Statements of Economic Interests.

Sec. 4.1 **Designated Employees.** The **persons** holding positions of General Manager, Assistant General Manager, and Procurement Officer are **designated employees**. All such employees have senior management positions. It has been determined that these individuals make or participate in decisions which may foreseeably have a material effect on **financial interests**.

Sec. 4.2 **Place of Filing.** All members of the Board of Directors and all **designated employees** shall file statements of economic interests with the Secretary of the Board of Directors. The Secretary shall review all statements and, after consultation with **District** General Counsel, report to the Board of Directors any potential conflicts noted in the statements.

Sec. 4.3 **Time of Filing.** Statements shall be filed according to the following schedule:

Sec. 4.3.1 **Initial Statements.** All members of the Board of Directors and all **designated employees** employed by **District** on the effective date of this Code shall file statements within 30 days of that effective date. Thereafter, each person already in a position subsequently designated by an amendment to this Code shall file an initial statement within 30 days after the effective date of the amendment.

Sec. 4.3.2 **Assuming Office Statements.** All **persons** assuming **designated employee** positions after the effective date of this Code shall file statements within 30 days after assuming the designated position.

Sec. 4.3.3 **Annual Statements.** All **designated employees** shall file statements no later than April 1st of each calendar year.

Sec. 4.3.4 **Leaving Office Statements.** All **persons** who leave **designated employee** positions shall file statements within 30 days after leaving office.

Sec 4.4 **Statements for Persons Who Resign Prior to Assuming Office**

Sec. 4.4.1 Any **person** who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming officer statement, is not deemed to have assumed office or

left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such **persons** shall not file either an assuming or leaving office statement.

Sec. 4.4.2 Any **person** who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision, or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

Sec. 4.5 Contents of Statements.

Sec. 4.5.1 Contents of Initial Statements. Initial statements shall disclose any reportable **investments, interest in real property, income** and business positions held on the effective date of the Code and **income** received during the 12 months prior to the effective date of the Code.

Sec. 4.5.2 Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable **investments, interest in real property, income** and business positions held on the date of assuming office, and **income** received during the 12 months prior to the date of assuming office.

Sec. 4.5.3 Contents of Annual Statements. Annual Statements shall disclose any reportable **investments, interest in real property, income** and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the Code.

Sec. 4.5.4 Contents of Leaving Office Statements. Leaving office statements shall disclose reportable **investments, interest in real property, income** and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

Sec. 5 Manner of Reporting.

Statements of economic interests shall be made on Form 700, attached hereto as Appendix B, and shall contain the following information:

Sec. 5.1 **Investment** and Real Property Disclosure. When an **investment** or an interest in real property is required to be reported, the statement shall contain the following:

Sec. 5.1.1 A statement of the nature of the **investment** or interest.

Sec. 5.1.2 The name of the business entity in which each **investment** is held, and a general description of the business activity in which the business entity is engaged.

Sec. 5.1.3 The address or other precise location of the real property.

Sec. 5.1.4 A statement whether the fair market value of the **investment** or **interest in real property** exceeds Two Thousand Dollars (\$2,000.00), exceeds Ten Thousand Dollars (\$10,000.00), exceeds One Hundred Thousand Dollars (\$100,000.00), or exceeds One Million Dollars (\$1,000,000.00).

Sec. 5.2 Personal **Income** Disclosure. When personal **income** is required to be reported, the statement shall contain:

Sec. 5.2.1 The name and address of each **source of income** aggregating Five Hundred Dollars (\$500.00) or more in value, or Fifty Dollars (\$50.00) or more in value if the **income** was a **gift**, and a general description of the business activity, if any, of each source.

Sec. 5.2.2 A statement whether the aggregate value of **income** from each source, or in the case of a loan, the highest amount owed to each source, was One Thousand Dollars (\$1,000.00) or less, greater than One Thousand Dollars (\$1,000.00), greater than Ten Thousand Dollars (\$10,000.00), or greater than One Hundred Thousand Dollars (\$100,000.00).

Sec. 5.2.3 A description of the consideration, if any, for which the **income** was received.

Sec. 5.2.4 In the case of a **gift**, the name, address and business activity of the donor and any intermediary through which the **gift** was made; a description of the **gift**; the amount or value of the **gift**; and the date on which the **gift** was received.

Sec. 5.2.5 In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

Sec. 5.3 Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

(1) The name, address and a general description of the business activity of the business entity; and

(2) The name of every **person** from whom the business entity received payments if the filer's pro rata share of the gross receipts from such **person** was equal to or greater than ten thousand dollars (\$10,000.00).

Sec. 5.4 Business Position Disclosure. When business positions are required to be reported, a **designated employee** shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the **designated employee's** position with the business entity.

Sec. 5.5 Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an **investment** of an **interest in real property** was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Sec. 6 Standards Of Conduct for **Public Officials**.

There are numerous laws and regulations which govern the conduct of **public officials** and which are applicable to **District**. When in doubt as to the applicability of any law or regulation or provision of this Code to any particular situation, the potentially affected **person** should request an advisory opinion from counsel to **District**. All **persons** subject to this Code shall be familiar with its provisions, including the following provisions which govern the conduct of all **public officials**:

Sec. 6.1 **Public officials** shall disqualify themselves from making, or participating in the

making of, or in any way attempting to use their official position to influence, a **governmental decision** which they know or have reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- Sec. 6.1.1 Any business entity in which the **public official** has a direct or indirect **investment** worth Two Thousand Dollars (\$2,000.00) or more.
- Sec. 6.1.2 Any **interest in real property** in which the **public official** has a direct or indirect interest worth Two Thousand Dollars (\$2,000.00) or more.
- Sec. 6.1.3 Any **source of income**, other than **gifts** and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating Five Hundred Dollars (\$500.00) or more in value provided to, received by or promised to the **public official** within 12 months prior to the time the decision is made.
- Sec. 6.1.4 Any business entity in which the **designated employee** is a director, officer, partner, trustee, employee, or holds any position of management.
- Sec. 6.1.5 Any donor of, or any intermediary or agent for a donor of, a **gift** or **gifts** aggregating Three Hundred Forty Dollars (\$340.00) or more provided to, received by, or promised to the **designated employee** within twelve months prior to the time when the decision is made.
- Sec. 6.2 **Public officials** shall not be financially interested in any contract made by them in their official capacity. They shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity. A contract made in violation of provision within Section 6 of this Code may be voided by the Board of Directors.
- Sec. 6.3 **Public officials** shall not engage in any employment or activity for compensation which is inconsistent or incompatible or in conflict with his or her duties as a Board member or employee (that is, which would interfere with the official's ability to carry out official duties or exercise independent judgment on behalf of the public interest). **Public officials** shall not engage in outside employment or provide services for compensation where any part of those efforts will be subject to approval by the Board of Directors, or any other

board, officer or employee acting on behalf of **District**.

Sec. 6.4 No **public official** shall participate in a **governmental decision** in which he or she has a close personal interest which would tend to impair the exercise of independent judgment in the public interest.

Sec. 6.5 No **public official** shall hold another public office where the two offices are incompatible.

Sec. 6.6 No **public official** of the **District** may solicit or accept, either directly or indirectly, any **gift**, gratuity, loan, or other item or service of value if either the discharge of his or her official duties would be influenced or he or she has been, is presently, or may in the near future be involved in any official act or action directly affecting the donor or lender.

Sec. 6.7 Invitations, received from bidders or other parties involved in a pending procurement, for business lunches, parties, or similar functions shall be declined. This is intended to avoid any situation which may give an appearance of improper influence in **District** procurement activities.

Sec. 6.8 No **public official** shall accept any honorarium from any source, if the **public official** would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

Sec. 6.8.1 No **public official** shall accept **gifts** with a total value of more than \$340 in a calendar year from any single source, if the **public official** would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

Sec. 6.9 Notwithstanding the above, this section shall not apply to the following:

Sec. 6.9.1 An occasional non-pecuniary **gift** of nominal value accepted in the ordinary course of a business meeting.

Sec. 6.9.2 Unsolicited advertising or promotional material of nominal intrinsic value.

Sec. 6.9.3 A **gift**, gratuity, favor, loan, or other thing of value when circumstances

make it clear that an obvious long-standing social or family relationship, rather than a business relationship, is the motivating factor.

Sec. 6.10 No **public official** or **designated employee** shall disclose or otherwise use confidential information acquired by virtue of his or her position or employment with the **District** for his or her or another **person's** private gain. No Board member shall reveal information received in a lawful closed session unless such information is required by law to be disclosed.

Sec. 7 **Legally Required Participation.**

No **public official** of **District** shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a **designated employee** who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

Sec. 8 **Prohibitions Against the Use of Public Office for Personal Gain.**

No **public official** of **District** shall use for personal gain or advantage, **District** facilities, equipment, supplies, personnel or other things of value or his or her position or office to secure, for personal benefit, **gifts**, special privileges or exemptions.

Sec. 9 **Conduct When There May Be a Financial Interest.**

Public officials shall conduct themselves as follows whenever the Board member, employee or consultant has, or may have, a **financial interest** in making or participating in the making of, any **governmental decision**:

Sec. 9.1 Board of Directors' member: Unless his or her participation is legally required, when the matter comes up on the agenda, the Director shall disclose his or her interest, refrain from participating in any way in the decision making process, and withdraw from the room if the subject is being discussed in a closed session.

Sec. 9.2 During any **contract formation**, a Director may not have any **financial interest** in any contract made by the **District**. Boards of Directors are conclusively presumed to be involved in the making of all contracts under their Board's jurisdiction. Any contract made when a Director has a financial interest will be void. Disclosure of any **financial interest** and disqualification of the Director from contract formation will not prevent the creation of a void contract. Directors may engage in contract

formation only when: (1) they have no financial interest; (2) they have a **remote interest**, (3) they have a **noninterest**; and/or (4) the contract involves a necessity.

Sec 9.3 If **designated employee** has a **remote interest**, that employee shall not be deemed to be to have a **financial interest** in a contract entered into by the **District** if the fact of that interest is disclosed to the body of the Board of Directors, and is noted in the official records, and thereafter the Board of Directors authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the **designated employee** with the **remote interest**.

Sec. 9.4 Employees: The employee shall immediately report the nature of the matter and the existence of a conflict to his or her superior so that the work may be assigned to another employee.

Sec. 9.5 Consultants: The consultant shall immediately report the nature of the matter and the existence of the conflict to the General Manager, who shall determine the action to be taken.

Sec. 10 Contact with Vendors, Bidders, and Proposers.

Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering needed data. However, in making such contacts, **District** employees, officers, and agents shall avoid any commitment, or implication thereof, of a possible future contract.

Accordingly, requests for substantial complimentary services or supplies, which may imply an obligation on the part of District, shall be avoided. Also to be avoided are requests for testing services, product samples or demonstrations, and free trips to examine vendor products. Whenever a procurement is in process, e.g., during the solicitation, evaluation, negotiation, and award phases, all contacts with potential contractors or vendors shall be made through the Procurement Officer.

Sec. 11 Incompatible Uncompensated Activities.

Sec. 11.1 **Public officials** may participate in outside activities for which they are not compensated, but are discouraged from participating in such non-compensated activities when any of the following subsections applies:

Sec. 11.1.1 The activity involves a substantial commitment of time that interferes

with the **public official's** ability to timely discharge his or her official duties.

Sec. 11.1.2 The activity involves matters which come regularly before the Board and would create a substantial conflict between private interest and the exercise of Board authority in the public interest.

Sec. 11.2 A director may disqualify himself or herself in matters coming before the Board where the director concludes that participation would create the appearance of a conflict of interest.

Sec. 12 Penalties for Violation.

This Code has the force and effect of law. **Designated employees** violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91015. In addition, failure to adhere to the provisions of this Code shall constitute a violation of **District** policy and shall subject the violator to disciplinary action up to and including termination as deemed appropriate by the **District** General Manager and/or Board of Directors. Any decision affected by a violation of the disqualification provisions of this Code have occurred may be set-aside as void.

Sec. 13 Transportation Passes and Discounts.

Other than indicated below, the **District** may not grant, and Directors and/or **designated employees** may not receive, free passes or discounts for transit. The acceptance of a pass or discount by a **public official**, other than a Public Utilities Commissioner, shall work a forfeiture of that office. The Board of Directors or other employees may receive passes or discounts if such passes or discounts are provided to assist or enable them to perform a part of their official duties.

Sec. 14 Post Employment Restrictions.

Sec. 14.1 Post Employment Restriction for Board Members. The **District** shall not employ or retain under contract for compensation any individual who has served as a Board member within the previous two years. No Board member who leaves his or her office and accepts a position of employment with, or as a contractor or consultant for, a current or future **District** contractor/consultant may participate in a project or provide any goods or services to the **District**, through the contractor or consultant, for a period of two years.

Sec. 14.2 Post Employment Restrictions for Employees. No employee who leaves his or her **District** position and accepts a position of employment with, or as a

contractor or consultant for, a current or future **District** contractor (consultant, vendor, developer, etc.) may participate in a project or provide any goods or services to the **District** through the contractor, for a period of two years. The General Manager may, when it is in the overall best interests of the **District**, make exceptions in the case of employees who have retired.

Appendix A

DEFINITIONS

1. **CONTRACT FORMATION:** The following actions constitute involvement in contract formation: (1) Any involvement in preliminary discussions, reasoning, negotiations, planning, drawing or plans or specifications and solicitations of bids relating to a contract; or (2) participation in decisions to modify, extend or renegotiate an existing contract, including exercise of an option.
2. **DESIGNATED EMPLOYEE:** Any official of the **District** whose position is designated in this Code.
3. **DISTRICT:** The Santa Barbara Metropolitan Transit **District**.
4. **FINANCIAL INTEREST:** For the purposes of Article IV of this Code, a **designated employee** has a **financial interest** in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, or on any significant segment thereof, within the **jurisdiction**, on:
 - (a) Any business entity in which the **designated employee** has a direct or indirect **investment** worth more than Two Thousand Dollars (\$2,000.00).
 - (b) Any real property in which the **designated employee** has a direct or indirect interest worth more than Two Thousand Dollars (\$2,000.00).
 - (c) Any **source of income**, other than loans by a commercial lending institution in the regular course of business, aggregating Five Hundred Dollars (\$500.00) or more in value received by or promised to the **designated employee** within twelve (12) months prior to the time when the decision is made; or
 - (d) Any business entity in which the **designated employee** is a director, officer, partner, trustee, employee or holds any position of management.
 - (e) Indirect **investment** or interest, as used to define **financial interest**, means any **investment** or interest owned by the spouse or dependent child of the **designated employee**, by any business entity controlled by the **designated employee** or by a trust in which the business entity is controlled by a **designated employee** if the **designated employee** has a substantial interest. A business entity is controlled by a **designated employee** if the **designated employee**, his or her agents, spouse and dependent children hold more than Fifty Percent (50%) of the ownership interest in the entity. A

designated employee has a substantial interest in a trust when the **designated employee**, his or her spouse and dependent children have a present or future interest worth more than Two Thousand Dollars (\$2,000.00).

5. **GIFT:** Any payment to the extent that the consideration of equal or greater value is not received. Any **person**, other than a defendant in a criminal action, who claims that a payment is not a **gift** by reason of receipt of consideration, has the burden of proving that the consideration received is of equal or greater value. The term **gift** does not include informational material such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursements for any expenses shall be deemed informational material.

6. **INCOME:**

- (a) **Income** means, except as provided in subsection (b), **income** of any nature from any source, including but not limited to any salary, wage, advance, payment, dividend, interest, rent, capital gain, return of capital, **gift**, including any **gift** of food or beverage, loan, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any **person** other than an employer, and including any community property interest in **income** of a spouse. **Income** of an individual also includes a pro rata share of any **income** of any business entity or trust in which the individual or spouse owns, directly, indirectly, or beneficially, a Ten Percent (10%) interest or greater.
- (b) **Income** does not include:
- (1) **Income**, other than a **gift**, from any source outside the **jurisdiction** and not doing business within the **jurisdiction**, not planning to do business within the **jurisdiction**, or not having done business within the **jurisdiction** during the two years prior to the time any statement or other action is required under this Code.
 - (2) Campaign contribution required to be reported under Chapter 4 of the Political Reform Act of 1974.
 - (3) Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization.
 - (4) **Gifts** of informational material, such as books, pamphlets, reports, calendars or

periodicals.

- (5) **Gifts** which are not used and which, within thirty (30) days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for **income** tax purposes.
- (6) **Gifts** from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle or first cousin or the spouse of any such **person**; provided that a **gift** from any such **person** shall be considered **income** if the donor is acting as an agent or intermediary for any **person** not covered by this paragraph.
- (7) Any devise or inheritance.
- (8) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, interest credited on employees' contributions to public retirement plans, payments received under any insurance policy, or any bond or other debt instrument issues by any government or government agency.
- (9) Dividends, interest or any other return on a security, which is registered with the Securities & Exchange Commission of the United States Government.
- (10) The value of **gifts** of hospitality including food, beverages or lodging provided to any **person** filing a statement of economic interest if such hospitality has been reciprocated within the filing period. Reciprocity as used in this paragraph includes the providing by the filer to the host of any consideration, including entertainment or a household **gift** of a reasonably similar benefit or value.
- (11) **Income** from a source which is a former employer if all **income** from the employer was received by or accrued to the **designated employee** prior to the time he or she became a **designated employee**; the **income** was received in the normal course of the previous employment; and there was no expectation by the **designated employee** at the time he or she assumed a designated position or resumed employment with the former employer.

7. **INTEREST IN REAL PROPERTY** includes any leasehold, beneficial or ownership interest or option to acquire such an **interest in real property** within the **jurisdiction** if the fair market value of the interest is greater than Two Thousand Dollars (\$2,000.00). **Interests in real property** of an individual include a pro rata share of **interests in real property** of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a Ten Percent

(10%) interest or greater. For the purposes of Articles II and III of this Code, **Interest in Real Property** does not include the principal residence of the filer.

8. **INVESTMENT:** Any **financial interest** in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an **interest in real property** within the **jurisdiction**, or does business or plans to do business within the **jurisdiction** of the **District**, or has done business within the **jurisdiction** at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an **investment** unless its fair market value exceeds Two Thousand Dollars (\$2,000.00). **Investment** does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, any employee's contribution to a public retirement plan or any bond or other debt instrument issued by any government or government agency. **Investments** of an individual include a pro rata share of **investments** of any business entity or trust in which the individual or spouse owns, directly or beneficially, a Ten Percent (10%) interest or greater.

9. **LEGALLY REQUIRED PARTICIPATION:**

- (a) A **designated employee** is not legally required to make or to participate in the making of a **governmental decision** within the meaning of paragraph 4.5 of this Code unless there exists no alternative source of decision consistent with the purposes and terms of the statute authorizing the decision.
- (b) Whenever a **designated employee** who has a **financial interest** in a decision is legally required to make or to participate in making such a decision, he or she shall:
 - (1) Disclose as a matter of official public record the existence of the **financial interest**.
 - (2) Describe with particularity the nature of the **financial interest** before he or she makes or participates in making the decision.
 - (3) Attempt in no way to use his or her official position to influence any other **public official** with respect to the matter.
 - (4) State the reason there is no alternative source of decision-making authority.
 - (5) Participate in making the decision only to the extent that such participation is legally required.

- (c) This regulation shall be construed narrowly, and shall not be construed to permit voting to break a tie.

10. **MAKING GOVERNMENTAL DECISIONS:** A **designated employee** makes **governmental decisions**, except as provided in subsection (f) (1) herein, when he or she, acting within the authority of his or her duties:

- (a) Votes on a matter.
- (b) Appoints a **person**.
- (c) Obligates or commits the **District** to any course of action.
- (d) Enters into any contractual agreement on behalf of the **District**.
- (e) Determines not to act, within the meaning of subparagraphs (a) through (d) above, unless such determination is made because of his or her **financial interest**. When the determination not to act occurs because of his or her **financial interest**, the **designated employee's** determination not to act must be accompanied by disclosure of the **financial interest** in the manner prescribed in Section 4.3 of the Article IV of this Code.
- (f) The making of a **governmental decision** shall not include:
 - (1) Actions of **designated employees**, which are solely ministerial, secretarial, manual or clerical.
 - (2) Appearances by a **designated employee** as a member of the general public before an agency in the course of its prescribed governmental function to represent himself on matters related solely to his or her personal interests.
 - (3) Actions by **designated employees** or their representatives relating to their compensation or the terms or conditions of their employment or contract.

11. **NONINTEREST:**

- (a) An officer or employee of the District shall not be deemed to be interested in a contract if his other interest is any of the following:
 - (1) The ownership of less than 3 percent of the shares of a corporation for profit, provided the total annual income to him or her from dividends, including the

value of stock dividends, from the corporation does not exceed 5 percent of his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.

- (2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duty.
- (3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the board.
- (4) That of a landlord or tenant of the contracting party if such contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of such contract is the property in which such officer or employee as such interest as landlord or tenant in which event his or her interest shall be deemed a **remote interest** within the meaning of, and subject to, the provisions of Section 1091.
- (5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.
- (6) That of a spouse or an officer or employee of a public agency in his or her spouse's employment or office holding if his or her spouse's employment or office holding has existed for at least one year prior to his or her election or appointment.
- (7) That of a nonsalaried member of a nonprofit corporation, provided that such interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that such interest is noted in its official records.
- (8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular

consideration, and provided further that such interest is noted in its official records. For purposes of this paragraph an officer is noncompensated even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing duties for his or her office.

- (9) That of compensation for employment with a governmental agency, other than the governmental agency that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration of the contract, and provided further that the interest is noted in its official record.
 - (10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
 - (11) Except as provided in subdivision (b), that of an officer or employee of or a **person** having less than a 10 percent ownership interest in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor, or creditor.
- (b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.
- 12. **PERSON:** An individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, associations, committee and any other organization or group of **persons** acting in concert.
 - 13. **PUBLIC OFFICIAL:** As used herein, **public official** means members and alternates of the Board of Directors, **designated employees** of **District**, and consultants to and contractors of **District** required to file disclosure statements pursuant to this Code.
 - 14. **REMOTE INTEREST:** As used in this article, remote **interest** means any of the following:

- (a) That of an officer or employee of a nonprofit corporation, except as provided in paragraph (8) of subdivision (a) of Government Code section 1091.5.
- (b) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office. For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other **persons** holding an interest in the contracting party are regarded as having the real or ultimate ownership of the contracting party.
- (c) That of an employee or agent of the contracting party, if all of the following conditions are met:
 - (1) The agency of which the **person** is an officer is a local public agency located in a county with a population of less than 4,000,000.
 - (2) The contract is competitively bid and is not for personal services.
 - (3) The employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.
 - (4) The contracting party has 10 or more other employees.
 - (5) The employee or agent did not directly participate in formulating the bid of the contracting party.
 - (6) The contracting party is the lowest responsible bidder.
- (d) That of a parent in the earnings of his or her minor child for personal services.
- (e) That of a landlord or tenant of the contracting party.

- (f) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
- (g) That of a member of a nonprofit corporation formed under the Food and Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.
- (h) That of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.
- (i) That of a **person** subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.
- (j) Except as provided in subdivision (b) of Section 1091.5, that of a director of or a **person** having an ownership interest of 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.
- (k) That of an engineer, geologist, or architect employed by a consulting engineering or architectural firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.
- (l) That of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1927 (42 U.S.C. Sec. 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a **jurisdiction** in which the rental vacancy rate is less than 5 percent, as to new tenants in a unit previously under a Section 8 contract. This section applies to any **person** who became a **public official** on or after November 1, 1986.

15. **SOURCE OF INCOME:** **Source of income**, as used in subparagraph c of paragraph

No. 3 of this Appendix A shall not include a former employer if all **income** from the employer was received by or accrued to the **designated employee** prior to the time he or she became a **designated employee**, the **income** was received in the normal course of the previous employment, and there was no expectation by the **designated employee** at the time he or she began employment or assumed office or renewed employment with the former employee.

Appendix B

See Form 700 attached hereto.

PLEASE INDICATE IF YOU WOULD LIKE A COPY OF FORM 700
ALSO AVAILABLE ON THE FAIR POLITICAL PRACTICE COMMISSION WEBSITE

BOARD OF DIRECTORS REPORT

AGENDA DATE: April 27, 2004

AGENDA ITEM #:

DEPARTMENT: Planning

TYPE: Informational

PREPARED BY: Steve Maas

Signature

Rachel Grossman

Signature

REVIEWED BY: General Manager

GM Signature

SUBJECT: Informational update on recommended Sept. service changes

RECOMMENDATION:

Receive report on service changes recommended for September 2004.

DISCUSSION:

MTD staff annually conducts a detailed service planning and evaluation process that culminates in service changes implemented in early September, in conjunction with the start of the school year. The planning and evaluation process includes qualitative input from passengers, other members of the public, MTD employees, and local agency staff, as well as quantitative analyses of the performance of each MTD route.

The purpose of this informational report is to update the MTD Board on staff recommendations for September 2004 service changes, and on input received at the associated public meetings held the week of April 19.

Staff plans to bring this item back to the Board as an action item on May 11, 2004. On that board meeting date, it will be listed as a formal public hearing.



Santa Barbara Metropolitan Transit District

Policy Against Drug and Alcohol Abuse
Safety Sensitive Employees

Revision April 27, 2004

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Definitions

Aberrant behavior- Behavior that is so unusual that it warrants summoning a supervisor and/or management and the unusual behavior is confirmed by said supervisor or management

Accident- An accident, as outlined in 6537.654.7 is defined as an occurrence associated with the operation of a vehicle in which

- An individual dies
- An individual suffers a bodily injury and immediately receives medical treatment away from the scene of an accident
- The mass transit vehicle involved is a bus, electric bus, van, or automobile in which one or more vehicles incurs disabling damage as a result of the occurrence and is transported away from the scene by a tow truck or other vehicle and/or
- The mass transit vehicle involved is a railcar, trolley car, trolley bus, or vessel, and is removed from revenue service.

Alcohol analysis- breath specimen collected through the use of an evidential breath testing device (EBT) approved by the National Highway Traffic Safety Administration (NHTSA) performed by a breath alcohol technician (BAT).

BAC- Breath Alcohol Content

CDL- Commercial Drivers' License

Drug- In the relationship of this policy, drug is defined as any

Drug analysis- urine specimens that are chemically tested (screened) for the purpose of detecting substances that include, but are not limited to alcohol or the controlled substances as listed in Section 2.3 of this policy.

On-duty- Any time for which you are being paid as an employee of the District

Verbal altercations- verbal disputes that disrupt work and may result in disciplinary action

Santa Barbara Metropolitan Transit District
Policy concerning Drug and Alcohol Abuse

Revised 4/04

1.1 General Purpose

The main purpose for the formation of the Santa Barbara Metropolitan Transit District is the safe transportation of the public on the South Coast of Santa Barbara County. Each employee of the District, was carefully chosen from among the many applicants as a person who could properly and safely perform the duties of the position as well as represent the District's image to the public. The District expects that each employee understands and adhered to the code of conduct befitting the position in the Santa Barbara community.

In recognition of the duty entrusted to the Board of Directors and employees of the District, with knowledge that drugs and alcohol hinder a person's ability to perform duties safely, the following policy against drug and alcohol abuse is hereby adopted by the Santa Barbara Metropolitan Transit District.

Employees covered by this policy are those who perform safety-sensitive functions while on duty. Each employee is responsible for reading and understanding this policy.

This policy also outlines the related responsibilities of District managers and supervisors.

1.2 Drug Free Workplace

It is the District's intention to have a workplace that is 100% free from drug or alcohol abuse.

SBMTD maintains compliance with the Drug Free Workplace Act (DFWA) of 1988 that requires recipients of Federal funds to certify that they provide drug-free workplaces for their employees. The following rules are required to comply with this act:

- a) Each employee must notify the District within five days of any criminal drug statute conviction for a violation occurring in the workplace.
- b) SBMTD must notify the Federal government of each violation within 10 days of notification from the employee.
- c) Within 30 days following conviction, SBMTD must impose sanctions on the employee.

1.3 Effective Dates

SBMTD's original policy became effective in its entirety on March 1, 1986. Effective January 1, 1996 the policy was redesigned to meet regulatory requirements contained in 49 CFR parts 40, 653, and 654 including random testing. The policy

was revised to more completely and clearly meet FTA regulations in October, 1997, September, 1999. A small number of procedure and personnel name updates were made in 2003; this current 2004 revision is to re-align with updates to Federal regulations.

2.0 D&A Policy for Safety Sensitive Employees

2.1 Employee Participation

Participation in SBMTD's policy against substance abuse and the testing program is a requirement of each employee, and therefore, is a condition of employment. In addition, safety-sensitive employees are required to participate in random testing. The FTA has determined that "Safety Sensitive" functions are performed by those who

- Operate revenue service vehicles including when not in revenue service
- Operate non-revenue service vehicles that require drivers to hold Commercial Drivers' License (CDL)
- Dispatch or control revenue service vehicles
- Maintain revenue service vehicles or equipment used in revenue service
- Provide security and carry a firearm.
- Supervise employees in these categories who themselves perform these functions

Thus the specific job titles that are considered "Safety Sensitive" at the SBMTD are as follow:

Driver, Mechanic (all levels), Utility Worker, Service Worker, Dispatcher, Operations Supervisor, and any employee (not previously listed) who maintains a CDL.

Additionally, the Manager of Maintenance, Superintendent of Maintenance, Manager of Operations, Training Officer, and Manager of Quality Assurance are also safety-sensitive employees.

2.2 Circumstances for Testing

Federal Transit Administration and/or SBMTD policy require that safety sensitive employees will be given drug and alcohol tests in the following circumstances. The table below indicates whether the authority is FTA authority, SBMTD policy, or both. Section 2.3 identifies which substances are tested under FTA authority and SBMTD policy.

Circumstance	Authority
Pre-employment	FTA authority and <i>SBMTD policy</i>
Reasonable suspicion	FTA authority
Post-accident	FTA authority
Random	FTA authority
Return to duty/ fitness for duty	FTA authority and <i>SBMTD policy</i>
Follow-up	FTA authority and <i>SBMTD policy</i>
<i>Medical certificates biannual renewal</i>	<i>SBMTD policy</i>

2.3 Substances tested under FTA authority and SBMTD policy:

FTA (Substance Abuse Panel 5) *	SBMTD (Substance Abuse Panel 10) **
Amphetamines	<i>Amphetamines</i>
Cocaine metabolites	<i>Cocaine metabolites</i>
Opiate metabolites	<i>Opiate metabolites</i>
Phencyclidine	<i>Phencyclidine</i>
Marijuana metabolites	<i>Marijuana metabolites</i>
	<i>Barbiturate metabolites</i>
	<i>Benzodiazepines</i>
	<i>Propoxyphene</i>
	<i>Methaqualone</i>
	<i>Methadone</i>
Breathalyzer test for alcohol	Breathalyzer test for alcohol

* Substances and cut-off levels as mandated in Part 40 Procedures for Transportation Workplace Drug Testing Programs.

** SBMTD panel of 10 consists of the same substances included in the Federally mandated Panel 5, plus those substances that were defined in the 1986 SBMTD Drug and Alcohol policy.

***For random testing, alcohol is only included on a percentage of the testing based on current FTA percentage rules.

2.4 Drug and Alcohol Free on Duty; Additional Required Hours of Compliance
Employees must not consume alcohol while performing a safety-sensitive function, four hours prior to performing a safety-sensitive function and up to eight hours following an accident or until the employee undergoes a post-accident test, whichever occurs first.

All employees must report to work and perform their duties without being under the influence of drugs or alcohol, having the odor of drugs or alcohol on their persons, or having their ability to work impaired as a result of drugs or alcohol on or off duty. Further, employees must not have drugs or alcohol in their possession while on duty or on District property.

3.0 Effects of Drug and Alcohol Use

Information regarding the adverse effects of drugs and alcohol are required as part of this policy. The following materials are excerpts from the SBMTD drug-free workplace policy.

3.1 Use and Effects of Alcohol

Alcohol is a drug. And like any other drug, it will affect you physically. Because it is a liquid, the effects of alcohol are quickly felt as it is absorbed into the blood stream through the walls of the stomach and small intestine.

- Visual Effects : Drinking alcohol lowers your resistance to glare so that you are less able to adjust your eyes to bright lights. It will also impair the sharpness of your vision and your ability to recognize colors – especially red. If you are unable to react to oncoming headlights and can't recognize a red light, you are just a collision waiting to happen.
- Smell : Your sense of smell and taste are diminished by alcohol. This could result in an inability to quickly recognize a fire on the bus.
- Sense of Time and Space : Alcohol distorts your sense of time and space. For example you may not realize how long you have been sitting at a stop sign or how far away from the curb you actually are.
- Motor Skills : Alcohol significantly affects your timing, judgment, speed and accuracy -- anything that involves movement. For example, under the influence of alcohol you may attempt to drive the bus through a space that is too narrow for the bus.

Never Safe

Even a small amount of alcohol can affect your driving skills. And the worst part about alcohol is that even as it decreases your skills, it tears down your inhibitions and makes you feel overly confident in your abilities. Which means after having a few drinks, you may be dangerously out of control and not even realize it!

For example, drivers whose blood alcohol level is only .05% are between two to seven times more likely to be involved in a collision than drivers who have no alcohol in their systems. Your blood alcohol content (BAC) is determined by the amount of alcohol you drink, how quickly you drink, and your weight.

If you drink before coming to work or while working, you are increasing your chances of a collision. Depending on the severity of the collision, you may just damage the bus or you may end up killing someone or yourself. If you do have a collision or are stopped by a police officer you may be fined, jailed and face the suspension or loss of your CDL. Under Federal law, you are considered to be driving under the influence according to the law if your BAC is .04%. Based on California Vehicle Code, you may not operate a commercial motor vehicle if your BAC is .01% (reference CA DMV VC: 34501.15, Out-of-Service Order).

Never drive the bus after having even one drink of alcohol. The risk is not worth it!

3.2 Drugs

A drug is any chemical that, when taken into the body, affects your physiological process.

Prescriptions Drugs: Drugs can be essential medical tools but they can significantly impact your driving ability especially when used illegally or improperly. Even over-the-counter medications can hinder your ability to drive. Be sure you know the potential effects of any drug before you take it. Ask your doctor or pharmacist about your ability to drive while taking any prescription or no-prescription drug. Find out if taking the drug will affect your reaction time, concentration level or eye/hand coordination. Then find out how long these effects will last. Also, be sure that you are abiding by the District's drug policy. If you have any questions, ask your supervisor or instructor.

Psychoactive Drugs: These are drugs that are mind-altering and affect the central nervous system. Most of these drugs are subject to regulation by the government. This means that the non-prescriptive use of these drugs is illegal. These drugs affect your central nervous system, their use may cause the loss of your license, a heavy fine and may even result in jail time, in addition to the possibility of causing you to be involved in an accident where there is loss of life, injury, or property damage.

Psychoactive Drug Categories

Stimulants: These drugs that may initially increase your alertness – on the safer end is caffeine, on a more dangerous level is cocaine. After the brief stimulation from the drug, however you may experience headaches, drowsiness, irritability, dizziness and loss of concentration.

Depressants : These drugs “depress” the central nervous system. Alcohol, barbiturates and tranquilizers are the most widely used depressants. Depressants vary in potency but increasing the dosage of any of them has the same progressive effect -reduction in anxiety, lowered inhibitions, sedation, sleep, loss of consciousness, coma, and even death.

Marijuana and hashish : Marijuana is the crushed leaves and flowers of a hemp plant (*Cannabis sativa*). Hashish is an extract of this plant and can be up to ten times more potent than marijuana. Higher doses of hashish may even cause hallucinations and LSD-like psychedelic reactions. At low doses marijuana has many of the same effects as alcohol including a longer reaction time. It is also quickly absorbed into the bloodstream like alcohol. Like alcohol it can distort your sense of time and space. After using marijuana, a person may sit for an hour in one place and think that only 5 minutes have passed. They may misjudge the distance that they are from an object and misjudge their ability to get around it. This can make driving under the influence of marijuana even

more dangerous than alcohol.

Psychedelics and hallucinogens : This class includes a variety of drugs, very few of which have any medicinal use. LSD, PCP, peyote and mescaline fall into this class. As their name indicates, these drugs will induce psychedelic experiences and or hallucinations.

Narcotics: Although often used as a general term for drugs – this class actually refers to opium and it's derivatives such as morphine, codeine and heroin. Doctors have used many of these drugs for centuries to induce sleep and relieve pain. Today, their illegal use is more common because of the state of euphoria they produce. Because of this effect, they are highly addictive.

3.3 How Chemical Dependency Affects Major Life Areas

The following are only representative examples of the impact of chemical dependency (use of either drugs or alcohol) on major life areas. Many more could be added.

Health	Chemically dependent people have a higher than normal rate of high blood pressure, malnutrition, cirrhosis of the liver, delirium tremens, deterioration of the brain cells, lethargy, depression, irritability and collapse of heart and other major organ systems.
Social	Chemically dependent people associate with other users and often drop non-using friends. They can be a major cause of tension and embarrassment at social functions.
Finances	Financial problems are an issue for the chemically dependent people because they generally spend more than they earn on their habit, and/or become sloppy about the way personal finances are handled.
Relationships	Friends, families and co-workers all suffer at the hands of a chemically dependent person. Families are disrupted emotionally and economically. Employees resent chemically dependent co-workers who don't pull their own weight. Angry outbursts or unreasonable behavior by the troubled employee may also cause friction at the work site.
Work performance	The user's ability to perform at work may slip or become erratic. Attendance problems occur. Accidents are more frequent. Up to 40% of industrial fatalities, and 47% of industrial injuries can be traced to alcohol abuse or addition.
Legal issues	The first arrest for Driving Under the Influence is a sign of a problem. Second and additional arrests are almost always a sure indicator that the person is chemically dependent. Since possession and use of "street drugs" is illegal, drug addicted employees pose a legal problem for organizations.

If an employee has problems in any of these major life areas, and drinking or drug

use is involved, that person has a problem with chemicals. If the person continues to use, after suffering serious consequences in any of these major life areas, chemical dependency is likely.

4.0 Discipline: All Employees

Summary of Disciplinary Actions

<i>Refusal to submit to testing</i>	<i>Termination of employment</i>
<i>Positive breath test for alcohol greater than 0.04</i>	<i>Termination of employment</i>
<i>Testing positive for Panel 5 or Panel 10 substances</i>	<i>Subjects active employee to termination; precludes applicant from hire</i>
<i>Positive breath test for alcohol 0.01 or greater but less than 0.04 * (1st time positive test)</i>	<i>Removal from duty for twenty-four (24) hrs and subsequent re-test must show concentration of less than 0.01</i> <i>Precludes applicant from hire</i>
<i>Positive breath test for alcohol 0.01 or greater but less than 0.04 (2nd time positive test)</i>	<i>Termination of employment upon review.</i>

* Based on the California Vehicle Code regulations.

All disciplinary actions as a result of drug and alcohol abuse shall be dictated by this policy. An employee may be disciplined up to and including termination of employment if an alcohol or drug screening performed when she/he is on duty is positive for alcohol or a drug which is prohibited by law, FTA regulation or which interferes with the safe and effective performance of duties or operation of District equipment, even if the employee has a valid prescription in his/her own name.

Employees are not to have drugs (other than those that are over the counter and/or prescribed to the employee themselves) or alcohol in their possession, including on their person, at anytime while on duty or on District property. The District reserves the right to search persons, personal property, lockers and vehicles located on District property in those cases where it has reasonable cause to believe that an employee is in possession or under the influence of drugs and/or alcohol. Employees are subject to termination of employment for possession of drugs or alcohol while on duty or on District property.

Employees are prohibited from engaging in unlawfully manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace consistent with the Drug Free Workplace Act of 1988. Employees are subject to termination of employment for any of the acts described in this paragraph.

Effective January 1, 1987, any employee who is found to have a positive urine test for a drug or a positive breath test for alcohol, according to the terms of this policy, and any employee who refuses to take the test as defined in this policy is subject to termination of employment without exception.

4.1 Refusal to submit to testing

Refusal to submit immediately to drug or alcohol screening when requested by District or law enforcement personnel, shall be grounds for termination for gross insubordination. Refusal to submit includes any of the following:

- Refusal to take the test
- Providing less than sufficient quantities of breath or urine to be tested without a valid medical explanation
- Tampering with or attempting to adulterate the specimen or collection procedure
- Not reporting to the collection site in the time allotted
- Leaving the scene of an accident without a valid reason or authorization by the acting supervisor or manager before tests have been conducted
- Not complying with Management or Supervisor requests to return for a post accident test.

5.0 Employee Responsibilities

As a condition of employment, an employee must:

- A. Not report to work unable to perform employment responsibilities, impaired due to drugs or alcohol use, or while the employee has the odor of drugs or alcohol on his or her person. This is true even if the employee has a prescription for said drugs.
- B. Not use alcohol or any drug which impairs work performance just before or during working hours or at anytime on District property;
- C. Not use drugs or alcohol while wearing a District uniform, on or off duty;
- D. Not have possession of drugs or alcohol while on duty or on District property;
- E. Provide the Medical Review Officer, immediately upon request, with a current and valid prescription for any drug identified when a drug screening is positive. The prescription must be in the employee's name and the amounts taken must be as prescribed. In addition, the drug must not impair the ability to perform the employment responsibilities;
- F. Submit immediately to a drug or alcohol test when requested;
- G. Notify his or her supervisor when taking medications, or combinations of medications (either prescribed or not prescribed) which may interfere with the safe and effective performance of duties and/or operation of District equipment. It is the employee's responsibility to find out the effects the medication has on the performance of their job duties. If the drug will interfere with the safe and effective performance of duties and/or operation of District equipment, it is the employee's responsibility to inform her/his supervisor as soon as possible that s/he is unable to work. If the employee does not so inform the supervisor, s/he is in violation of the drug and alcohol policy. In all cases, notification to the supervisor must be made no later than one hour before the beginning of employee's next shift. Failure to inform

the supervisor (or to do so in a timely manner) subjects the employee to disciplinary actions as stated in the “reporting for duty” policy in the employee manual.

6.0 Guidelines

A. According to FTA regulations, testing for prohibited drugs and alcohol is required under the following circumstances (guidelines provided by FTA Drug and alcohol regulation updates):

1. Any accident or operation of the lift where there was loss of life
2. After a non-fatal accident, unless the employee can be completely discounted as a contributing factor to the accident (consistent with Sec. 655.44).
3. After an accident involving the operation of a revenue vehicle or non-commercial motor vehicle(s) or lift in which:
 - (a) An individual suffers bodily injury and immediately receives medical treatment away from the scene of an accident, or
 - (b) Any vehicle was disabled*, or towed away from the scene of the occurrence, or
 - (c) The revenue vehicle is then removed from service
4. Specific behavior, speech, or body odors of the covered employee.

* Disabling damage means damage that prevents any of the vehicles involved from leaving the scene of an occurrence in its usual manner in daylight after simple repairs or damage to the vehicle (such that it could have been operated but would have further damaged the vehicle if so operated). Disabling damage does not include damage that could be remedied temporarily at the scene of the occurrence without special tools or parts; tire disablement even if no spare tire is available; or damage to headlights, tail-lights, turn signals, horn, or windshield wipers that makes them inoperative.

Accidents relating to operation of wheel-chair lifts may require testing, per FTA Drug & Alcohol Regulation Update, Issue 25, page 3.

B. *In addition to the above, a Supervisor may decide, according to SBMTD policy in effect since March 1986, that an employee will be sent for a drug and alcohol test after any employee is involved in any of the following:*

1. *Any accident (either vehicular or industrial)*
 - (a) *Taking place on District property where damage exceeds approximately \$1,000. The extent of damage is to be determined on the spot by the Maintenance department staff.*
 - (b) *Where there is suspicion of gross negligence on the part of the District employee(s),*
 - (c) *Resulting in traumatic injuries which may have been caused by negligence, and which require medical treatment.*
 - (d) *In which two or more employees are involved (in which case any or all*

- of the employees may be requested to report for testing)*
2. *Physical altercations of any kind with any other person*
 3. *Verbal altercations between employee(s), or between an employee and a non-employee*
 4. *Behavior, speech or body odors of the covered employees*
 4. *Aberrant behavior exhibited by an employee*
 5. *Odor of alcohol*
- C. If an employee is sent for a drug and/or alcohol analysis for cause as outlined in Section B above, the employee will be relieved of duty pending the outcome of the test.

7.0 Physical Examinations

A. Pre-placement physicals **and hiring**

1. If a drug screening is positive at the pre-placement physical, the applicant must immediately provide a valid current prescription for any drug identified in the drug screening. If the prescription is not in the applicant's name or the applicant does not provide a prescription, or if the drug is one that impairs the applicant's ability to perform the job duties, the applicant will not be hired.
2. If the breath test is positive for alcohol at a level of 0.01 or greater, the applicant will not be hired.
3. Applicants and newly hired employees are required to provide written consent when entering or transferring into a safety-sensitive position for information to be released from any previous US DOT regulated employer within the past two years. Such consent will cover all DOT drug and alcohol mandated testing and results, any violations of same, shall include refusals to be tested, and adulterated or substituted drug test results. Failure to provide all related information or written consent for the two-year time period will bar the applicant from employment and the newly hired employee from continued employment in a safety-sensitive position.

B. *Biannual Physicals (every two years)*

Employees who carry Commercial Driving Licenses are required by state law to have a biannual physical. SBMTD policy (since 1986) requires a drug and alcohol test with this physical.

1. *If the drug screening is positive at the biannual or other physical, the employee must provide immediately, at the request of the Medical Review Officer, a valid current prescription for the drug identified in the drug screening. The prescription must be in the employee's name. If the employee does not have a valid prescription or the prescription is not in the employee's name or the amounts taken are more than prescribed, the employee may be subject to disciplinary action up to and including termination.*

8.0 Professional Contacts

Medical Review Officer

Dr. Tom Reaper

Santa Barbara Industrial Medical Group
681-9913

Substance Abuse Professional

Thomas McIlmoil, C.E.A.P.
Cottage Care Employee Assistance Program
682-7486

8.1 The Medical Review Officer

The Medical Review Officer (MRO) is a licensed physician with knowledge and medical training regarding substance abuse disorders. The following is the role of the MRO:

- a) Receive drug test results from laboratory
- b) Conduct review of control and custody forms
- c) Review and interpret positive tests by reviewing medical history, medical records and biomedical information; discussing test results with employee; and deciding whether there is a legitimate medical explanation for the result, for instance, the use of legally prescribed medication.
- d) If appropriate, request laboratory analysis of the original specimen to verify accuracy of test result.
- e) Notify employee of a positive test and the availability of a 72 hour time period to request a test of split specimen. If requested, MRO directs laboratory to ship the specimen to another DHHS-certified lab for analysis.
- f) Inform the employer's designated program director of the positive test result.

MRO then contacts the employer. **Positive Test results are reported to the Manager of Operations or to the Human Resources and Risk Administrator.**

8.2 The Substance Abuse Professional

The Substance Abuse Professional is a licensed professional (physician, psychologist, social worker, employee assistance professional or addiction counselor) who is designated by the employer to evaluate an employee after a positive drug or alcohol test to determine the need for assistance in resolving substance abuse problems.

The role of the Substance Abuse Professional is as follows:

- a) To evaluate whether the employee who has refused the test or has a verified positive drug or alcohol test is in need of assistance in resolving problems associated with prohibited drug use or alcohol use. The evaluation will be offered even if employment with SBMTD has been terminated.

- b) To provide a list of treatment options, when appropriate.

8.3 Employee Assistance Program

The management of the Santa Barbara Metropolitan Transit District recognizes that drug and alcohol problems are habits, which are difficult to overcome. The District recommends that those employee who currently have a problem with drugs and/or alcohol seek professional help immediately. To assist employees, SBMTD contracts with a local Employee Assistance Program. The District's designated Substance Abuse Professional directs SBMTD's Employee Assistance Program.

The Employee Assistance Program is confidential. Employees and their families may seek help from this free and confidential assistance for a range of problems including, but not limited to personal, marital, family, emotional, or substance abuse. Information is posted on bulletin boards and available from supervisors, managers or the Personnel office. Employees may request a leave of absence if time off is needed to seek professional assistance to resolve drug or alcohol problems. SBMTD will require that the standard Leave of Absence rules be followed.

9.0 Test Results

9.1 Positive Test Results

In cases of positive tests, the Medical Review Officer will contact the employee.

After review with the employee, the MRO will determine if the test results are positive for alcohol, illegal drugs, or prohibited use of legal drugs.

9.2 Release of Test Results

In general, SBMTD will release information or copies of records regarding an employee's test results to the employee or to a third party, only with specific, written authorization of the employee. Exceptions to this include the following:

- a) SBMTD will disclose information related to a test result to the decision-maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the employee tested
- b) SBMTD is required to release information to the National Transportation Safety Board (NTSB) about any post accident test performed for an accident under NTSB investigation
- c) SBMTD will make available copies of all results of testing programs when requested by the FTA or any agency with regulatory authority over the SBMTD or any of its employees, or to a state oversight agency authorized to oversee the District, or as required by any appropriate and verified legal document as of any legal proceeding
- d) In addition, information obtained as part of a Department of Transportation (DOT) drug and alcohol testing program is not considered "health information" covered by HIPAA rules and therefore, does not require employers and service

agents in the DOT drug and alcohol testing program to obtain written employee authorization to disclose drug and alcohol testing information required by DOT and FTA rules (49 CFR Parts 40 and 655, respectively), *FTA Update September, 2003*

10.0 Testing Circumstances

Testing is done in the circumstances that follow in 12.1 - 12.6. Related information is provided in Section 6.0, Guidelines.

10.1 Random Testing Procedures

A computer program is in use to pull the names of safety sensitive employees for random testing. The list is kept confidential.

On a monthly basis, a staff member in a department that is not subject to random testing runs the program to pull the list of employees who will be tested. Employee names are updated in coordination with the Human Resource department files prior to running the list. Each month the random pull is 1/12th of the required annual testing.

After completion of the pull procedure, the list of names pulled is provided to the Manager of Operations who reviews the schedules and determines the testing. Testing is done in the order of names pulled, except in the case that an employee is unavailable due to absence. Employees are tested during their scheduled work hours. If an employee is on his or her day off, vacation, or other authorized leave, the test will be performed upon their return. In the meantime, tests of other employees pulled are performed.

If the name pulled is the Manager of Operations or General Manager, the information is given directly to the Manager of Planning who sets up the test. This maintains the ability to test employees without their prior knowledge.

Drivers chosen for testing are relieved by a supervisor and given a sheet of instructions (see 16.a) with a time stamp and the test location. The form is again time stamped upon the driver's arrival at the test site, yet again when the driver leaves the test site and upon return to duty. In this manner, the MTD can determine if there was any attempt to avoid the test. During the driver absence from regular route service, a Supervisor drives the bus. Drivers are informed of negative results in a timely manner (see 16.b) with a form notification.

Mechanics and staff members chosen for testing are similarly required to travel straight to the test site. The same time-stamped instruction form is used.

10.2 Reasonable Suspicion Testing

This testing is initiated at the request of a supervisor or manager. The employee must proceed immediately to the testing site. In the case of reasonable suspicion,

the employee must be driven to the testing site and offered a safe ride home after the test.

10.3 Post Accident Testing

This testing is initiated at the request of a supervisor or manager. The employee must proceed immediately to the testing site. Employees who are being required to test due to reasonable suspicion or negligence related to an accident must not be allowed to drive themselves to the testing site.

10.4 Supervisor Responsibilities regarding Testing

10.4.a. Arrangements

A supervisor is required to make arrangements for testing in cases of reasonable suspicion and post accident in the following manner: the Supervisor must inform the Department Manager, the Manager of Operations, or the Human Resources and Risk Administrator of the need for testing to be done. If none of the above staff are on duty, the supervisor shall personally arrange for testing to be done at the facility used by the District (as currently instructed). In such case, the supervisor shall ensure that the employee to be tested is escorted to the facility as soon as possible.

10.4.b. Documenting Rx/OTC Involvement in Accidents

Any time an initial investigation indicates that prescription or OTC drugs could be a contributing factor to an accident, the supervisor/investigator should document the information provided and system management should investigate the claim further by soliciting additional information from the employee. The following will be used as a checklist:

- Name of all Rx/OTC medications taken within the past seven days
- List of active ingredients
- Dosage directions (amount and frequency)
- Dosage practice (amount and frequency)
- Time and amount of last dose prior to accident
- Time and amount of dose prior to the last one
- Frequency of use in the last seven days
- Length of time taking medication
- Expiration date
- Presence of warning labels
- Name of individual the prescription was written for, if applicable
- List of side effects experienced; with explanation of when they appeared/disappeared
- Name of prescribing medical practitioner
- Did the employee discuss the use and potential side effects of the Rx/OTC with their medical practitioner? Can this be verified?
- Was the medical practitioner aware of the employee's safety-sensitive job duties?

- Place of purchase of Rx/OTC and pharmacist's name (if applicable)
- Did the employee discuss the potential side effects of this Rx/OTC with their pharmacist? Can this be verified?
- Was the pharmacist aware of the employee's safety sensitive job duties?
- Verify the prescription, if applicable.

All information obtained in such investigation must be held to the strictest level of confidentiality and will be treated as medical records. Absent a federal law requiring disclosure, the MTD will follow HHS Health Insurance Portability and Accountability Act (HIPAA) rules (45 CFR Part 164) regarding employee authorization, access, transmission, and storage of protected health information.

Any supervisor, who fails to follow instructions outlined in the policy concerning drug and alcohol abuse, will be subject to disciplinary action up to and including termination.

If a supervisor chooses not to send an employee for testing under that portion of the policy which allows an option, the supervisor must get authorization from the manager of the department (or the designee) as soon as possible by means of a verbal report followed by a formal, written one.

10.5 Pre-Employment Testing

The District schedules this testing. A positive drug or alcohol test results in loss of an employment opportunity with the District.

10.6 Biannual Physical Testing

Employees who maintain a Class A or Class B license are required to schedule their own biannual physical to update their medical certificate. By SBMTD policy, drug and alcohol testing are included in this physical.

11.0 Drug Testing Collection Procedures

Santa Barbara Medical Industrial Group (SBMIG) is the designated medical facility for SBMTD. The purpose of this narrative is to fulfill the requirements of SBMIG's designation as an accredited collection facility by the Drug and Alcohol Testing Industry Association (DATIA)

The written objective of SBMIG is to meet the highest standards in regulatory compliance and specimen handling. All specimens for urine drug testing are collected according to guidelines mandated by the Department of Transportation (DOT).

11.1 Prior to specimen collection

Upon arrival at the facility, positive identification of the employee is required. Any of the following are considered valid positive photo identification, i.e. a current

driver's license, California identification card or SBMTD employee identification card. In absence of positive photo identification, an employee representative may identify the employee. After photo identification is verified, the employee is requested to read and sign the "Consent to Drug Screening" form.

11.2 The Collection area

The employee is taken to the collection area reserved for control purposes. The collector asks the employee to remove all outer garments (hats, coats, boots, etc.) that do not violate personal privacy. Hand held items (handbags, luggage, newspapers, books, personal computers, and any valuables) are placed in a locked cabinet during the collection process. The employee is permitted to keep the key in their possession.

11.3 Preparation for the collection

The employee is asked to wash his/her hands with soap and water. The collector opens the kit in the employee's presence. The employee is instructed to use the collection cup with temperature gauge to collect the urine specimen.

11.4 Collection of urine specimen

The employee is shown to a toilet that has been prepared for DOT specimen collection. The toilet tank contains bluing in the water and the toilet tank is sealed with tamper evident tape. Running water to the wash basin has been disconnected. All soap dispensers and trash cans have been removed from the collection area.

The collector advises the employee of the following:

- there is no running water in the collection area
- not to flush the toilet after the collection
- the employee may take as much time as needed to collect the specimen
- Once the urine is collected, the collector must check the temperature of the specimen within four (4) minutes.

The employee is left to collect the specimen in privacy. The collector remains outside the door.

Upon completion of the urine specimen collection, the collector reviews the collection area for evidence of tampering. The employee gives the specimen to the collector who checks the temperature of the urine specimen while the employee is permitted to wash his/her hands. In the employee's presence, the collector transfers the urine sample to the specimen bottles.

The collector places tamper-evident labels on the specimen bottles. Split specimens are sent to the lab in two separate bottles that are shipped together. The employee initials each bottle. The employee and collector verify the specimen numbers on the bottles with the specimen number on the chain of custody.

The collector records the date of collection, the employee's social security number and completes the chain of custody form. The employee is asked to provide his/her name and phone numbers on the bottles with the specimen number on the chain of custody form.

After the specimens and appropriate copies of the chain of custody form are sealed in the lab specimen bag or box, the collector and employee sign the permanent record book. The permanent record book is kept on file to document the collection date, employee name, company name, Social Security number, lab requisition number, and signatures of collector and employee.

The collector and employee fill out and sign the DOT collection checklist.

The collector gives the employee a copy of the chain of custody.

The collector explains the role of the Medical Review Officer (MRO), whose name appears on the employee's copy of the chain of custody form as it relates to negative and positive test results (and detailed previously in Section 10.1).

11.5 Collection Problems

A. Temperature range: if the collector finds the urine temperature is outside the acceptable specimen range (either too high or too low), the employee may be required to provide another specimen which is collected under direct observation by a collector of the same gender.

The collector records "observed collection" on the chain of custody form in the remarks section. If the employee refuses to submit to an observed collection, the test will be considered to be an "automatic positive" test.

B. "Shy Bladder" (the employee cannot provide a sufficient specimen)

If the employee is unable to void or provide a sufficient amount of urine, the collector disposes of the unacceptable amount of urine and marks the time of the first attempt on the chain of custody form under "remarks".

The employee is offered water to drink. The employee may attempt another collection within 30 to 45 minutes. The collector must monitor the employee's water intake. The employee may not have more than 40 ounces of water in a three- (3) hour period. The maximum time an employee is permitted to remain in a collection site for a random test is three hours. The employee may not leave the collection site and return during the three-hour period, unless the employee's employer requests his/her presence at the work site, and is willing to monitor the employee's fluid intake.

C. "Diluted" specimen

If the employee provides a specimen with a specific gravity of 1.005 or lower, the collector notes the specific gravity on the chain of custody form under “remarks”. The collector labels the specimens, the employee initials the specimens, and the collector completes the chain of custody form. The specimens are then packaged and transported to the laboratory.

The employee is asked to remain to provide another specimen. He/she is asked to refrain from drinking more water and their fluid intake is monitored by the collector. The second specimen is documented as a “2nd” collection on the chain of custody form. When the form is completed, the specimens are packaged for shipment to the laboratory.

D. “Hostile employee”

If the employee refuses to consent to a urine drug test, the collector asks him/her to sign the refusal clause of the chain of custody form. The collector documents the refusal on the form, noting the time and date of refusal. The form is then forwarded to the medical review officer. If the collector is subjected to verbal abuse or if there is a threat of physical abuse, the collector’s supervisor will tactfully terminate the collection. The employer is promptly notified. The employee must report immediately to the Manager of the Department, not back to duty.

11.6 Security of Specimens

Collected specimens are retained in a secure area at all times. The collector and the facility manager monitor access to the specimens. Specimens are sent to the laboratory via daily laboratory courier service and by express courier service. The lab courier signs for each specimen received. The collector maintains a log of specimens shipped by express courier services. The collector monitors access to specimens packaged for shipment via express courier.

11.7 Two-stage screening process (GC/MS confirmation)

Urine testing is a two-stage process. First the initial screening is performed. If the test positive for one or more of any drug as itemized in Section 2.3, then a confirmation test is performed for each identified drug using state-of-the-art gas chromatography/mass spectrometry (GC/MS) analysis. GC/MS confirmation ensures that over-the counter medications or preparations are not mistakenly reported as positive results. A test is considered positive only if the GC/MS has shown a positive result.

11.8 Positive Test for Drug

If a drug screening is positive (as outlined in 2.3), the Medical Review Officer will contact the employee. The employee must immediately provide a valid current prescription for any drug identified in the drug screening. If the prescription is not in the employee’s name or the employee does not provide a prescription, or if the drug is one that impairs the employee’s ability to perform the job duties, the test will be considered positive.

11.8 Blind Performance Testing and Quality Assurance Program

In addition to the six major employee testing categories mandated by FTA regulations, transit agencies are required to perform blind sample proficiency testing as a quality assurance measure for the testing laboratory. Employers are required to submit three quality control specimens to the laboratory for every 100 employee specimens sent for testing, up to a maximum of 100 blind samples per quarter. These specimens are called blind performance tests because the testing laboratory does not know they are quality control specimens instead of actual employee specimens.

The blind quality control specimens must not be distinguishable from employee specimens. Blind quality control specimens can be blanks (negatives) or spikes (positives). If a laboratory reports a positive on a quality control specimen that was a blank (negative), the employer should notify the FTA immediately. If a laboratory reports a negative on a quality control specimen that was a spike (positive), the employer should notify the laboratory and attempt to discover the cause of the error. Repeated false negative errors should be reported to the FTA.

SBMTD and the designated medical facility are in compliance with Blind Performance Testing requirements as mandated by FTA. Test samples are sent to the laboratory as unknown or blind, and are designed to challenge all aspects of workplace drug testing. Each urine sample is submitted by the collection site to the laboratory's own chain of custody and sample container. The sample mimics the behavior of an authentic patient specimen. The laboratory results on these samples are scored and should reflect the actual contents of the sample. Laboratory performance is thus reviewed and monitored in a comprehensive program of quality assurance.

12.0 Breath Alcohol Testing Procedures

SBMTD's designated medical facility follows rules as mandated by DOT & FTA for Breath-Alcohol Testing. Testing employees of the designated medical facility are certified Breath Alcohol Testing (BAT) technicians. They are certified to be proficient in CFR Part 40 procedures and Evidential Breath Testing (EBT) procedures.

The following procedures must be used to conduct the BAT.

Identification: When an employee arrives for Breath Alcohol Testing (BAT) the employee's identity is confirmed by photo identification or by employer identification. The employee is required to sign a "Consent for Breath Alcohol Testing" form. The employee is also requested to authorize the technician to fax results of the test to the MRO or employer.

Testing: The employee is shown to a private testing area. The breath alcohol testing forms are completed by the BAT technician and signed by the employee. The employee is instructed to be seated while the technician briefly explains how the test is completed. The technician asks the employee to close his/her lips around the mouthpiece and to blow forcefully into the mouthpiece until a “clicking” sound is heard.

Negative Test: If the employee scores less than 0.01, the test is negative. Most negative test results are .000. When the test is negative, the instrument printer will produce the result in triplicate. The technician will affix a printout of the result on the back of each page of the triplicate NCR form. The employee and technician will sign the form and the employee is released.

Positive Test: A positive test is any breath alcohol test of .01 or greater.

Confirmation of a Positive Test: A positive test is immediately re-tested (confirmation test). The BAT will re-test the employee within the following time frame: after a countdown of 15 minutes and no later than 30 minutes.

Disciplinary Actions related to Positive Tests:

Level A- An employee who tests .04 or greater, after completion of a confirmation test, is subject to termination of employment on the first occasion of testing.

Level B- SBMTD policy is that if an employee tests at 0.01 or greater, but less than .04 on this confirmation test, the test is considered positive. This employee will be removed from duty. A meeting will be held with the manager of the department to determine the status of continuation of employment with the District. In all cases, based on California Vehicle Code, the employee cannot even be considered for return to duty until his breath test is less than .01.

Vehicle Code regulations of the State of California require that at a minimum employees who have a positive breath test for alcohol of 0.01 or greater, must be removed from duty for a minimum of eight (8) hours, or until a re-test shows an alcohol concentration of less than 0.01

On subsequent testing occasions, a test of .01 or greater will result in termination of employment.

How the Confirmation Test is conducted:

During the 15 minute interval before a confirmation test, the technician instructs the employee to refrain from belching, drinking water, chewing gum, eating breath mints or smoking. The employee is instructed to remain in the testing area with the collector until the confirmation test and paper work are completed.

Upon confirmation of the test, a negative test result will be lower than 0.01 and a positive test will be 0.01 or greater.

For confirmation, if the BAT technician receives a negative confirmation of 0.000, the test is considered a negative test, and the results are affixed in the confirmation box next to the previous result on the back of each page of the triplicate NCR form. The employee is then released to work.

For confirmation, if the BAT technician receives positive confirmation of 0.01 or greater, the test is considered positive and results are affixed in the confirmation box next to the previous result on the back of each page of the NCR form. The employee is released to the employee representative.

If the employee is driving and is unaccompanied by an employee representative, the technician will request that the employee surrender the keys to his/her vehicle. The technician calls the employee representative for assistance and will release the employee and keys to the representative.

13.0 Contractor Compliance with D&A program requirements

This policy and federal law set requirements for any organization which stands in the shoes of SBMTD for provision of transit service and for maintenance contractors that stand in the shoes of SBMTD for engine repair, revenue service vehicle repair, equipment repair, component re-build and overhaul. These organizations must meet the rules required in 49 CFR part 40. Those rules are outlined in SBMTD' policy. However, these organizations are not required to follow those portions of the SBMTD policy, which are not mandated by law. Such portions are printed in italics.

14.0 Record Retention

SBMTD will retain the following records for a period of five years:

- Records of any covered employee alcohol test results indicating an alcohol concentration of 0.02 or greater
- Records of covered employee verified positive drug test results
- Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results).
- Covered employees referrals to the SAP, and SAP reports;
- All follow-up tests and schedules for follow-up tests; and
- Copies of annual drug and alcohol Management Information Systems (MIS) reports submitted to FTA.

15.0 Ratification of Policy; Questions about Policy

Revised Policy against Drug and Alcohol Abuse

Adopted by the Board of Directors of the
Santa Barbara Metropolitan Transit District this day of
April 27, 2004

Questions about the policy should be directed to:
Manager of Operations (805) 963-3364

Policy Against Drug & Alcohol Abuse Safety Sensitive Employees Encl. "16.a"

Appointment time: _____ **Date:** _____

To: _____

From: Operations Manager

Subj: Random Drug and Alcohol Selection

A computer program has randomly selected your name for testing.

This random drug and alcohol testing program is mandated by the federal government.

We would appreciate your cooperation in the following manner:

1. You are being relieved from your run temporarily.
2. You have _ minutes to drive directly to the doctor's office. (Santa Barbara Industrial Medical Clinic, 4850 Hollister @ Turnpike).
"NO STOPS OR DETOURS"
3. Once you arrive at the doctor's office, you must present this letter to the receptionist. He/She will mark your time of arrival of departure in the appropriate area.
4. You are to stay within the doctor's waiting area prior to and (if applicable) between the tests.
5. Once you have completed the tests, pick up this paper from the receptionist and proceed immediately to the appropriate location to get back to your run.

(Follow specific instructions you have received from the supervisor or manager.)

- *If the alcohol test is positive, you will not be allowed to leave the doctor's office until a supervisor or manager arrives.*
- *You are required to submit to the drug or the drug and alcohol test as a condition of your employment with the MTD.*
- *If you do not cooperate, your employment will be terminated.*

Testing to be done: **Drug Only** **Drug & Alcohol**

Location relieved at: _____

Time Relieved on line: _____

Time arrived at SBIMG clinic: _____

Time testing complete: _____

Time arrived back on line: _____

Location back on line: _____

Policy Against Drug & Alcohol Abuse Safety Sensitive Employees Encl. "16.b"

Employee Notification of Negative Drug & BAT Test Results

Dear _____: (from Sally Bowman, MTD Operations)

On _____ you were sent for a test or tests for the following (circle one):

Drug Only

Drug & Alcohol

This test or tests was for the purpose of (circle one or add information for "Other"):

Random

Post Accident For Cause

Recertification Return to Duty

Other: _____

Drug & Alcohol

You are required to participate in this random selection by the Department of Transportation and by Santa Barbara MTD Policy.

This memo is to inform you that your results were **negative**.

Thank you for your cooperation and for continuing to follow SBMTD's No Tolerance Policy.

BOARD OF DIRECTORS REPORT

MEETING DATE: APRIL 27, 2004

AGENDA ITEM #:

TYPE: INFORMATION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: 9-MONTH FINANCIAL & BUDGET ANALYSIS FOR FY03-04

DISCUSSION:

Executive Summary

Attached are financial reports for the third quarter of fiscal year 2004. The third quarter included the delivery of one (1) each 30' and 40' clean diesel bus. The eleven (11) 30' clean diesel buses MTD is leasing will arrive at a rate of one per week. MTD entered into a five-year municipal lease with Santa Barbara Bank and Trust. The first quarterly payment is due in May for \$141,000. The arrival of these buses will allow MTD to begin retiring its 1988 Villager fleet.

MTD was awarded \$3.6 million in Congestion Mitigation and Air Quality (CMAQ) funds for the acquisition of \$4.5 million worth of 40' clean diesel buses. MTD made payment for the first bus in the third quarter, which is reflected in the quarter ending financial statements. The acquisition of fifteen (15) 40' clean diesel buses will allow MTD to begin retiring of its 1984 Gillig fleet. MTD intends to refurbish a few 1984 buses for use as spares. It was determined that refurbishing a few of the older fleet was more cost effective than purchasing additional buses, to be used predominately as spares. Upon acceptance of the new buses and planned retirement of the older fleet, MTD will comply with California Air Resources Board (CARB) requirements for mass transit fleets.

As arrival of new buses was imminent, MTD instituted a process of decreasing stock levels for parts associated with its 1984 Gillig and 1988 Villager fleets. Additionally, the completion of MTD's consolidated operating facility resulted in a decrease of 10.2% or \$117,028 in inventory level compared to the same period prior year. The new buses, all under warranty, will allow MTD to further decrease its parts costs over the next 12 months. MTD's finance and materials management staff will work closely to develop updated goals for warranty tracking, parts reordering and inventory levels for the next year.

The consolidated operating facility has begun to show additional cost benefits in the way of reduced utilities related costs. MTD's utility costs are 5.3% below prior year to date actual figures.

As of March 31, the farebox ratio was 38.9% versus 38.2% same period prior year. This reflects five months of fare structure changes that were implemented in late October. MTD's standard farebox ratio as established in the Short Range Transit Plan is 40%. However, MTD has not reached the standard farebox ratio since the middle of fiscal year 2002.

The outlay of local share for the aforementioned buses, along with buses for regional service, will strain MTD's cash flow this summer. Typically, MTD receives its federal operating assistance (\$2.7 million), approximately 17% of this year's operating revenue late in the fiscal year. However, due to the delay in the approval of a final Federal Transportation Spending bill it is unlikely that MTD will receive these funds prior to July. MTD will have a clearer picture of this matter near the end of April.

Operating Expenses

With operating expenditures of \$11.5 million through March, MTD is approximately 1.2% or \$132,000 over budget. Driver wages and fringe benefits are 1.4% over budget; primarily attributable to the variance between actual and scheduled pay hours. MTD calculates an adjustment factor based on prior year performance to estimate the variance each year. Workers' compensation costs were \$133,000 over budget. Both payouts and change in reserves escalated. Mechanics and utility workers' wages and fringe benefits were below budget due to a delay in replacement hiring. Fuel and lubricant costs were higher due to rising fuel prices.

Bus parts are \$71,000 under budget, this reflects efforts to complete in-frame rebuilds for the Nova fleet, treated as a capital expense. This was reflected in an upward mid-year budget revision for "Bus Rehabilitation" capital expense. Mandated fees and permits is \$29,000 over budget as a result of a one-time charge relating to underground storage tank fees, as well as required quarterly soil sampling.

Non-Subsidy Revenue

Farebox Revenue

Operating revenues were approximately \$4.5 million or \$336,000 over budget through March. Regular cash fares exceeded the budget by \$100 thousand for the year while pass programs were \$284 thousand over budget. The recent quarter marked the introduction of an increased cash fare coupled with discounted passes. While fare structure changes account for the majority of the increase, higher than anticipated ridership also played a significant role. Noteworthy, is the fact that MTD's budgeted figures were conservative as it was impossible to project the impact of the discounted pass program. Revenues from SBCC are \$28 thousand under budget. UCSB fares are in-line with budgeted figures. Additionally, MTD has estimated the amount the City of Santa Barbara will contribute towards the buy down of fares for the Downtown-Waterfront Electric Shuttle service.

Non-Operating Income

The Santa Barbara Metropolitan Transit District
550 Olive Street • Santa Barbara • CA • 93101
(805) 963-3364 • FAX: (805) 962-4794
www.sbmtd.gov

Bus ad revenue, at \$199 thousand, is \$11 thousand over budget. However, based on existing contracts MTD anticipates that it will finish the year in-line with budget. Property tax revenue is \$6 thousand under budget but payments vary slightly each year. MTD anticipates finishing the year in line with budget.

Subsidies

The financial reports indicate the actual level of TDA sales tax revenue received, rather than the level necessary to balance the budget. This is seen on the Operating and Capital Summary, which shows all sales tax received as operating revenue and the overall surplus/deficit for the fiscal year at the bottom of the page. This surplus/deficit also shows up at the bottom of the Balance Sheet.

LTF sales tax revenue (\$4.5 million) received through March is on budget. MTD submitted the claim for State Transit Assistance in March requesting \$436 thousand for this fiscal year. Anticipate receipt by late April. Local operating assistance of \$267 thousand has been booked relating to the City of Santa Barbara's contribution towards the Crosstown Shuttle service.

MTD anticipates receiving \$2.7 million in federal operating assistance this calendar year. A final Federal Transportation Spending bill has not been approved but is anticipated by the end of April. Immediately upon approval of the final bill, MTD will submit its fiscal year 2004 operating grant.

Capital Projects

MTD spent \$1.5 million for capital projects during the first nine months of the fiscal year, representing the completion of the consolidated operating facility, farebox projects, and bus acquisitions. Drive-train replacements totaled \$115 thousand while shop equipment purchases totaled \$34,000. The drive-train replacements consisted of scheduled in-frame replacements for MTD's fleet of Nova buses. Shop equipment purchases included an additional set of lifts required for the service pit area.

OPERATING & CAPITAL SUMMARY

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	PRIOR YR
<u>Operating Revenue</u>			
Passenger Fares	\$4,481,111	\$4,144,207	\$4,103,949
Federal Operating Assistance	0	0	0
Property Tax & Local Assistance	612,842	595,407	613,564
Non-Transportation Income	228,171	212,625	246,536
TDA Sales Tax Revenue	4,575,181	4,551,958	4,503,560
<i>Subtotal</i>	<u>\$9,897,305</u>	<u>\$9,504,197</u>	<u>\$9,467,609</u>
<u>Capital Revenue</u>			
Federal Capital Assistance	\$0	\$0	\$0
State Transit Assistance	0	0	159,371
Other Capital Assistance	331,168	331,168	0
<i>Subtotal</i>	<u>\$331,168</u>	<u>\$331,168</u>	<u>\$159,371</u>
<i>Total Operating & Capital Revenue</i>	<u><u>\$10,228,473</u></u>	<u><u>\$9,835,365</u></u>	<u><u>\$9,626,980</u></u>
<u>Operating Expense</u>			
Route Operations	\$6,299,292	\$6,118,454	\$5,952,339
Vehicle Maintenance	2,476,248	2,578,518	2,404,067
Passenger Accommodations	965,930	1,006,590	924,095
General Overhead	1,771,946	1,677,390	1,460,588
<i>Subtotal</i>	<u>\$11,513,416</u>	<u>\$11,380,952</u>	<u>\$10,741,089</u>
<u>Capital Outlays</u>			
Fixed Facilities	\$870,448	\$899,650	(\$448,564)
Buses	296,341	266,707	131,000
Electric Vehicle Projects	2,538	0	157,299
Management Information System	8,008	317,500	50,495
Passenger Facilities & Equipment	21,744	37,500	26,730
Service Vehicles	(9,970)	0	166,589
Revenue Vehicle Improvements	115,581	133,500	58,028
Shop Equipment	34,871	40,000	6,282
Office Furniture & Equipment	2,266	7,500	54,862
Fareboxes & Radios	186,619	186,619	2,613
<i>Subtotal</i>	<u>\$1,528,446</u>	<u>\$1,888,976</u>	<u>\$205,334</u>
<i>Total Operating & Capital Costs</i>	<u><u>\$13,041,862</u></u>	<u><u>\$13,269,928</u></u>	<u><u>\$10,946,423</u></u>
<i>Funding Surplus/(Deficit)</i>	<u><u>(\$2,813,389)</u></u>	<u><u>(\$3,434,563)</u></u>	<u><u>(\$1,319,443)</u></u>

BALANCE SHEET

March 31, 2004

ASSETS	FY 2004	FY 2003	CHANGE
<u>CURRENT ASSETS</u>			
Cash & Short-Term Investments	\$2,962,288	\$3,787,289	(\$825,001)
Receivables			
Subsidies Receivable	0	0	0
Other Receivables	586,754	535,316	51,438
Inventory	1,030,551	1,147,579	(117,028)
Prepaid Expenses	148,579	69,111	79,468
<i>Total Current Assets</i>	<u>\$4,728,172</u>	<u>\$5,539,295</u>	<u>(\$811,123)</u>
<u>NON-CURRENT ASSETS</u>			
Work-In-Process			
Haley Facility Expansion	\$1,782,724	\$848,754	\$933,970
Electric Vehicle Program	250,000	247,462	2,538
Overpass Remediation	28,572	0	28,572
Calle Real Development	148,320	77,218	71,102
ITS Projects	0	71,207	(71,207)
<i>Total Work-In-Process</i>	<u>\$2,209,616</u>	<u>\$1,244,641</u>	<u>\$964,975</u>
Operating Facilities & Equipment			
Revenue Vehicles	\$25,027,408	\$24,401,132	\$626,276
Land and Fixed Facilities	16,260,711	15,631,788	628,923
Office Furniture/Equipment	1,335,837	1,338,330	(2,493)
Service Vehicles	494,678	608,925	(114,247)
Shop Equipment	390,815	497,284	(106,469)
Bus Stop Equipment	597,450	524,989	72,461
EV Research & Development	136,489	136,489	0
<i>Total Operating Facilities & Equipment</i>	<u>\$44,243,388</u>	<u>\$43,138,937</u>	<u>\$1,104,451</u>
Accumulated Depreciation	<u>(18,946,279)</u>	<u>(17,116,614)</u>	<u>(1,829,665)</u>
<i>Total Non-Current Assets</i>	<u>\$27,506,725</u>	<u>\$27,266,964</u>	<u>\$239,761</u>
TOTAL ASSETS	<u>\$32,234,897</u>	<u>\$32,806,259</u>	<u>(\$571,362)</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Trade Payables	\$110,090	\$171,108	(\$61,018)
Payroll Liabilities			
Payroll Payable	371,977	326,003	45,974
Accrued Benefits	822,221	825,940	(3,719)
Other Current Liabilities			
Estimated Workers Comp Payouts	1,131,875	1,177,371	(45,496)
Estimated Liability Payouts	1,477	61,163	(59,686)
Prepaid Revenue	158,340	93,932	64,408
<i>Total Current Liabilities</i>	<u>\$2,595,980</u>	<u>\$2,655,517</u>	<u>(\$59,537)</u>
<u>NON-CURRENT LIABILITIES</u>			
TDA Deferred Credits	<u>\$4,945,580</u>	<u>\$4,233,354</u>	<u>\$712,226</u>
TOTAL LIABILITIES	<u>\$7,541,560</u>	<u>\$6,888,871</u>	<u>\$652,689</u>
<u>CAPITAL</u>			
<u>GRANTS & PAID-IN CAPITAL</u>			
Sales Tax Subsidy (TDA)	\$22,160,591	\$21,067,331	\$1,093,260
Federal Grants	20,304,009	19,972,841	331,168
Miscellaneous Capital	2,968,007	2,968,114	(107)
MTD Capital	129,329	129,329	0
Accumulated Depreciation Expense	<u>(19,252,489)</u>	<u>(17,116,615)</u>	<u>(2,135,874)</u>
TOTAL CAPITAL	<u>\$26,309,447</u>	<u>\$27,021,000</u>	<u>(\$711,553)</u>
YTD SURPLUS/(DEFICIT)	<u>(1,616,110)</u>	<u>(1,103,612)</u>	<u>(512,498)</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$32,234,897</u>	<u>\$32,806,259</u>	<u>(\$571,362)</u>

OPERATING REVENUE
For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VAR (%)	PRIOR YR	VAR (%)
<u>FAREBOX REVENUE</u>					
Cash Fares	\$2,204,331	\$2,103,499	5%	\$2,091,334	5%
Adult Passes	375,985	187,020	101%	227,803	65%
Student Passes	167,711	93,398	80%	154,373	9%
Senior Passes	35,380	54,145	-35%	24,075	47%
Special Passes	60,926	54,145	13%	50,385	21%
Full Fare Tokens	33,315	0	0%	31,801	5%
Downtown-Waterfront Shuttle	811,359	831,495	-2%	789,744	3%
Carpinteria Seaside Shuttle	57,168	56,268	2%	54,668	5%
UCSB Contract Fares	399,951	402,812	-1%	361,785	11%
SBCC Contract Fares	333,256	361,425	-8%	315,552	6%
Special Event Fares	1,729	0	0%	2,429	-29%
<u>SUBTOTAL</u>	<u>\$4,481,111</u>	<u>\$4,144,207</u>	8%	<u>\$4,103,949</u>	9%
<u>NON-OPERATING INCOME</u>					
Advertising on Buses	\$199,101	\$187,500	6%	\$206,860	-4%
Interest on Investments	\$24,063	\$24,375	-1%	\$37,969	-37%
Miscellaneous Income	\$5,007	\$750	568%	\$1,707	193%
<u>SUBTOTAL</u>	<u>\$228,171</u>	<u>\$212,625</u>	7%	<u>\$246,536</u>	-7%
<u>SUBSIDIES</u>					
TDA Sales Tax Revenue	\$4,575,181	\$4,551,958	1%	\$4,503,560	2%
FTA Formula Assistance	0	0	0%	0	0%
Property Tax Revenue	345,284	351,657	-2%	331,764	4%
Local Operating Assistance	267,558	243,750	10%	281,800	-5%
<u>SUBTOTAL</u>	<u>\$5,188,023</u>	<u>\$5,147,365</u>	1%	<u>\$5,117,124</u>	1%
<u>Total Operating Revenue</u>	<u>\$9,897,305</u>	<u>\$9,504,197</u>	4%	<u>\$9,467,609</u>	5%

OPERATING EXPENSES
For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VAR (%)	PRIOR YR	VAR (%)
<u>ROUTE OPERATIONS</u>					
Drivers	\$4,626,758	\$4,564,169	1%	\$4,437,407	4%
Dispatch & Supervision	269,604	278,051	-3%	241,701	12%
Hiring & Training	84,985	89,024	-5%	87,546	-3%
Risk & Safety	1,072,443	938,081	14%	1,021,211	5%
Paratransit Subsidy	245,501	249,127	-1%	164,475	49%
SUBTOTAL	\$6,299,291	\$6,118,452	3%	\$5,952,340	6%
<u>VEHICLE MAINTENANCE</u>					
Mechanics	\$672,561	\$722,843	-7%	\$611,818	10%
Cleaners & Fuelers	349,078	362,513	-4%	314,024	11%
Supervision	185,877	197,710	-6%	199,682	-7%
Vehicle Consumables	672,709	613,904	10%	587,893	14%
Bus Parts & Supplies	499,445	581,120	-14%	556,779	-10%
Vendor Vehicle Repairs	19,643	19,500	1%	26,618	-26%
Risk & Safety	76,935	80,928	-5%	107,254	-28%
SUBTOTAL	\$2,476,248	\$2,578,518	-4%	\$2,404,068	3%
<u>PASSENGER ACCOMMODATIONS</u>					
Passenger Facilities	\$333,220	\$335,283	-1%	\$336,115	-1%
Transit Development	222,890	214,926	4%	282,672	-21%
Promotion & Information	266,713	297,290	-10%	200,631	33%
Fare Revenue Collection	143,106	159,091	-10%	104,676	37%
SUBTOTAL	\$965,929	\$1,006,590	-4%	\$924,094	5%
<u>GENERAL OVERHEAD</u>					
Finance	\$392,285	\$392,111	0%	\$334,309	17%
Personnel	27,363	27,937	-2%	102,479	-73%
Utilities & Data Communications	140,270	153,260	-8%	136,958	2%
Operating Facilities	1,061,042	936,035	13%	727,242	46%
District Administration	150,986	168,047	-10%	159,600	-5%
SUBTOTAL	\$1,771,946	\$1,677,390	6%	\$1,460,588	21%
Total Operating Expenses	\$11,513,414	\$11,380,950	1%	\$10,741,090	7%

ROUTE OPERATIONS EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>DRIVERS</u>					
Scheduled	\$2,957,202	\$2,856,063	\$101,139	2,822,817	\$134,385
Scheduled Overtime	74,805	78,506	(3,701)	75,633	(828)
Unscheduled Pay	58,697	50,847	7,850	48,984	9,713
FICA	266,552	258,689	7,863	259,691	6,861
Pension	417,179	425,117	(7,938)	392,479	24,700
Health	373,343	405,052	(31,709)	366,058	7,285
Sick Pay	60,144	64,663	(4,519)	89,547	(29,403)
Vacation Pay	237,519	243,178	(5,659)	214,955	22,564
Holiday Pay	145,538	147,083	(1,545)	139,915	5,623
Other Paid Leave	8,636	10,817	(2,181)	4,368	4,268
Unemployment Insurance	19,464	8,736	10,728	9,596	9,868
Uniforms	7,680	15,420	(7,740)	13,365	(5,685)
<i>Drivers Subtotal</i>	<u>\$4,626,759</u>	<u>\$4,564,171</u>	<u>\$62,588</u>	<u>\$4,437,408</u>	<u>\$189,351</u>
<u>DISPATCH & SUPERVISION</u>					
Supervisors	\$94,618	\$104,815	(\$10,197)	\$102,424	(\$7,806)
Staff	79,634	67,408	12,226	57,879	21,755
FICA	14,581	16,190	(1,609)	13,677	904
Pension	17,037	19,705	(2,668)	17,508	(471)
Health	27,451	26,917	534	20,650	6,801
Sick Pay	10,460	7,060	3,400	657	9,803
Vacation Pay	17,014	21,642	(4,628)	20,713	(3,699)
Holiday Pay	7,514	12,923	(5,409)	7,650	(136)
Other Paid Leave	273	1,077	(804)	157	116
Unemployment Insurance	1,022	315	707	385	637
<i>Dispatch & Supervision Subtotal</i>	<u>\$269,604</u>	<u>\$278,052</u>	<u>(\$8,448)</u>	<u>\$241,700</u>	<u>\$27,904</u>
<u>HIRING & TRAINING</u>					
Staff	\$532	\$0	\$532	\$0	\$532
Student Drivers	59,800	7,236	52,564	8,514	51,286
Existing Drivers/Supers	4,147	50,150	(46,003)	43,846	(39,699)
FICA	0	4,390	(4,390)	4,962	(4,962)
Pension	0	2,181	(2,181)	1,544	(1,544)
Health	295	5,747	(5,452)	4,639	(4,344)
Sick Pay	0	0	0	0	0
Vacation Pay	0	0	0	0	0
Holiday Pay	0	0	0	0	0
Other Paid Leave	0	0	0	0	0
Unemployment Insurance	0	0	0	0	0
Medical Exams & License Fees	16,075	13,635	2,440	14,152	1,923
Employment Advertising	2,370	3,585	(1,215)	7,877	(5,507)
Training, Travel & Meetings	1,767	2,100	(333)	2,012	(245)
<i>Hiring & Training Subtotal</i>	<u>\$84,986</u>	<u>\$89,024</u>	<u>(\$4,038)</u>	<u>\$87,546</u>	<u>(\$2,560)</u>

ROUTE OPERATIONS EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>RISK & SAFETY PERSONNEL</u>					
WAGES & BENEFITS					
Staff	\$47,743	\$43,264	\$4,479	\$52,795	(\$5,052)
Supervisors	112,978	105,144	7,834	94,700	18,278
Driver Accident Pay	875	687	188	146	729
FICA	13,396	12,663	733	12,091	1,305
Pension	11,975	12,518	(543)	11,986	(11)
Health	16,584	14,765	1,819	14,819	1,765
Sick Pay	943	1,636	(693)	233	710
Vacation Pay	11,742	8,750	2,992	7,386	4,356
Holiday Pay	5,344	8,188	(2,844)	5,576	(232)
Other Paid Leave	371	682	(311)	631	(260)
Unemployment Insurance	322	280	42	154	168
<i>Risk & Safety Personnel Subtotal</i>	<u>\$222,273</u>	<u>\$208,577</u>	\$13,696	<u>\$200,517</u>	\$21,756
<u>LIABILITY COSTS</u>					
Professional Services	\$38,959	\$46,125	(\$7,166)	\$16,299	\$22,660
Insurance	99,813	106,595	(6,782)	69,184	30,629
CY Incident Payouts	2,824	15,000	(12,176)	3,623	(799)
CY Incident Reserves	462	18,750	(18,288)	6,158	(5,696)
PY Incident Payouts	12,623	30,000	(17,377)	27,221	(14,598)
Change in PY Reserves	(2)	(48,750)	48,748	(21,204)	21,202
<i>Liability Costs Subtotal</i>	<u>\$154,679</u>	<u>\$167,720</u>	(\$13,041)	<u>\$101,281</u>	\$53,398
<u>WORKERS COMP COSTS</u>					
Professional Services	\$146,969	\$173,707	(\$26,738)	\$150,956	(\$3,987)
Insurance	51,082	39,382	11,700	29,964	21,118
CY Incident Payouts	40,014	18,750	21,264	30,983	9,031
CY Incident Reserves	98,508	100,500	(1,992)	114,336	(15,828)
PY Incident Payouts	479,266	450,000	29,266	465,093	14,173
Change in PY Reserves	(122,450)	(225,000)	102,550	(76,073)	(46,377)
Miscellaneous	2,100	4,444	(2,344)	4,155	(2,055)
<i>Workers Comp Subtotal</i>	<u>\$695,489</u>	<u>\$561,783</u>	\$133,706	<u>\$719,414</u>	(\$23,925)
<u>PARATRANSIT SUBSIDY</u>					
Dial-a-Ride (Easy Lift)	\$245,501	\$249,127	(\$3,626)	\$164,475	\$81,026
<i>Paratransit Subsidy Subtotal</i>	<u>\$245,501</u>	<u>\$249,127</u>	(\$3,626)	<u>\$164,475</u>	\$81,026
Total Route Operations	\$6,299,291	\$6,118,454	\$180,837	\$5,952,341	\$346,950

VEHICLE MAINTENANCE EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>MECHANICS</u>					
Mechanics	\$455,589	\$493,625	(\$38,036)	\$414,957	\$40,632
Mechanics-Overtime	2,001	2,473	(472)	518	1,483
FICA	39,577	42,130	(2,553)	36,061	3,516
Pension	50,769	54,417	(3,648)	46,680	4,089
Health	40,804	51,152	(10,348)	41,274	(470)
Sick Pay	15,774	9,398	6,376	9,610	6,164
Vacation Pay	28,150	29,138	(988)	29,700	(1,550)
Holiday Pay	22,242	23,743	(1,501)	20,711	1,531
Other Paid Leave	902	1,978	(1,076)	502	400
Unemployment Insurance	2,560	1,050	1,510	1,133	1,427
Uniforms	5,393	3,911	1,482	4,272	1,121
Tool Allowance	8,800	9,828	(1,028)	6,400	2,400
<i>Mechanics Subtotal</i>	<u>\$672,561</u>	<u>\$722,843</u>	<u>(\$50,282)</u>	<u>\$611,818</u>	<u>\$60,743</u>
<u>CLEANERS & FUELERS</u>					
Service Workers	\$217,978	\$231,374	(\$13,396)	\$196,857	\$21,121
FICA	18,278	19,076	(798)	16,589	1,689
Pension	33,867	40,486	(6,619)	30,934	2,933
Health	46,134	40,921	5,213	40,742	5,392
Sick Pay	2,771	2,743	28	1,351	1,420
Vacation Pay	10,787	9,838	949	11,936	(1,149)
Holiday Pay	10,869	11,451	(582)	9,947	922
Other Paid Leave	502	417	85	237	265
Unemployment Insurance	1,710	755	955	710	1,000
Uniforms	2,377	2,457	(80)	2,579	(202)
Medical Exams & License Fees	3,804	2,995	809	2,142	1,662
<i>Cleaners & Fuelers Subtotal</i>	<u>\$349,077</u>	<u>\$362,513</u>	<u>(\$13,436)</u>	<u>\$314,024</u>	<u>\$35,053</u>
<u>SUPERVISION</u>					
Staff	\$109,652	\$124,040	(\$14,388)	\$119,322	(\$9,670)
FICA	10,926	11,333	(407)	11,474	(548)
Pension	12,750	14,814	(2,064)	14,923	(2,173)
Health	18,764	21,171	(2,407)	22,969	(4,205)
Sick Pay	14,698	3,165	11,533	10,326	4,372
Vacation Pay	11,233	13,442	(2,209)	13,031	(1,798)
Holiday Pay	6,706	8,178	(1,472)	6,656	50
Other Paid Leave	538	682	(144)	645	(107)
Unemployment Insurance	511	210	301	232	279
Training, Travel & Meetings	98	675	(577)	104	(6)
<i>Supervision Subtotal</i>	<u>\$185,876</u>	<u>\$197,710</u>	<u>(\$11,834)</u>	<u>\$199,682</u>	<u>(\$13,806)</u>

VEHICLE MAINTENANCE EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>VEHICLE CONSUMABLES</u>					
Tire Mounting	\$7,818	\$9,223	(\$1,405)	\$13,131	(\$5,313)
Diesel Fuel & Lubricants	523,154	479,252	43,902	447,144	76,010
Electric Vehicle Power	51,655	48,000	3,655	47,886	3,769
Tire Lease Cost	90,083	77,429	12,654	79,733	10,350
<i>Vehicle Consumables Subtotal</i>	<u>\$672,710</u>	<u>\$613,904</u>	<u>\$58,806</u>	<u>\$587,894</u>	<u>\$84,816</u>
<u>BUS PARTS & SUPPLIES</u>					
Bus Parts Issued	\$453,416	\$525,000	(\$71,584)	\$492,664	(\$39,248)
Shop Supplies	36,414	46,580	(10,166)	50,647	(14,233)
Bus Cleaning Supplies	4,885	6,000	(1,115)	4,256	629
Hazmat Disposal & Compliance	4,730	3,540	1,190	9,211	(4,481)
<i>Bus Parts & Supplies Subtotal</i>	<u>\$499,445</u>	<u>\$581,120</u>	<u>(\$81,675)</u>	<u>\$556,778</u>	<u>(\$57,333)</u>
<u>VENDOR BUS REPAIRS</u>					
Vandalism Repairs	\$2,001	\$3,750	(\$1,749)	\$0	\$2,001
Accident Damage Repairs	4,299	3,750	549	2,556	1,743
Accident Claim Collections	(894)	(1,500)	606	(779)	(115)
Other Vendor Repairs	14,238	13,500	738	24,841	(10,603)
<i>Vendor Bus Repairs Subtotal</i>	<u>\$19,644</u>	<u>\$19,500</u>	<u>\$144</u>	<u>\$26,618</u>	<u>(\$6,974)</u>
<u>RISK & SAFETY</u>					
Workers Comp Services	\$19,603	\$9,142	\$10,461	\$5,782	\$13,821
Workers Comp Insurance	2,689	2,073	616	1,577	1,112
Current Year Incident Payouts	170	938	(768)	4,592	(4,422)
Current Year Incident Reserves	7,000	5,025	1,975	44,643	(37,643)
Prior Years Incident Payouts	100,567	75,000	25,567	35,357	65,210
Change in Prior Years Reserves	(53,092)	(11,250)	(41,842)	15,303	(68,395)
<i>Risk & Safety Subtotal</i>	<u>\$76,937</u>	<u>\$80,928</u>	<u>(\$3,991)</u>	<u>\$107,254</u>	<u>(\$30,317)</u>
<i>Total Vehicle Maintenance</i>	<i>\$2,476,250</i>	<i>\$2,578,518</i>	<i>(\$102,268)</i>	<i>\$2,404,068</i>	<i>\$72,182</i>

PASSENGER ACCOMMODATIONS EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>PASSENGER FACILITIES</u>					
WAGES & BENIFITS					
Transit Center Supervision	\$71,915	\$73,370	(\$1,455)	\$71,706	\$209
Transit Center Advisors	68,409	65,450	2,959	71,649	(3,240)
Bus Stop Maintenance	59,417	59,249	168	53,740	5,677
FICA	16,747	16,961	(214)	15,030	1,717
Pension	15,404	16,682	(1,278)	15,200	204
Health	30,574	27,895	2,679	30,073	501
Sick Pay	3,173	2,990	183	4,707	(1,534)
Vacation Pay	12,268	13,706	(1,438)	13,076	(808)
Holiday Pay	7,944	7,854	90	6,619	1,325
Other Paid Leave	181	1,162	(981)	0	181
Unemployment Insurance	1,082	504	578	621	461
BUILDINGS & GROUNDS					
TC Property Insurance	1,539	1,409	130	1,536	3
TC Contract Maintenance	28,625	29,163	(538)	27,402	1,223
Bus Stop Maintenance	3,722	2,951	771	11,550	(7,828)
TC Repairs/Supplies	3,467	4,687	(1,220)	2,969	498
Bus Stop Repairs/Supplies	8,754	11,250	(2,496)	10,237	(1,483)
<i>Passenger Facilities Subtotal</i>	<u>\$333,221</u>	<u>\$335,283</u>	<u>(\$2,062)</u>	<u>\$336,115</u>	<u>(\$2,894)</u>
<u>TRANSIT DEVELOPMENT</u>					
Staff	\$138,393	\$128,284	\$10,109	\$152,897	(\$14,504)
FICA	12,138	11,436	702	13,072	(934)
Pension	12,463	14,949	(2,486)	16,330	(3,867)
Health	21,013	22,343	(1,330)	21,569	(556)
Sick Pay	969	1,429	(460)	773	196
Vacation Pay	11,703	11,914	(211)	10,531	1,172
Holiday Pay	6,324	8,577	(2,253)	7,341	(1,017)
Other Paid Leave	1,269	715	554	166	1,103
Unemployment Insurance	483	280	203	301	182
Planning Studies & Surveys	18,135	15,000	3,135	59,692	(41,557)
<i>Transit Development Subtotal</i>	<u>\$222,890</u>	<u>\$214,927</u>	<u>\$7,963</u>	<u>\$282,672</u>	<u>(\$59,782)</u>

PASSENGER ACCOMMODATIONS EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>PROMOTION & INFORMATION</u>					
WAGES & BENEFITS					
Staff	\$132,107	\$131,184	\$923	\$71,550	\$60,557
FICA	11,299	11,057	242	6,070	5,229
Pension	8,999	14,452	(5,453)	7,590	1,409
Health	19,524	21,159	(1,635)	9,028	10,496
Sick Pay	1,664	1,667	(3)	1,489	175
Vacation Pay	5,265	5,559	(294)	3,517	1,748
Holiday Pay	6,654	6,671	(17)	3,653	3,001
Other Paid Leave	2,009	556	1,453	269	1,740
Unemployment Insurance	483	210	273	170	313
PROMOTIONS					
Media Ad Placement (MA)	15,056	22,500	(7,444)	13,553	1,503
Brochures & Publications (BP)	4,017	5,250	(1,233)	5,757	(1,740)
Bus/Shuttle Decorations (BD)	3,121	15,000	(11,879)	20,719	(17,598)
Other Promotions (OP)	3,433	5,625	(2,192)	2,682	751
Route Schedules & Information	53,082	56,400	(3,318)	54,584	(1,502)
<i>Promotion & Information Subtotal</i>	<u>\$266,713</u>	<u>\$297,290</u>	<u>(\$30,577)</u>	<u>\$200,631</u>	<u>\$66,082</u>
<u>FARE REVENUE COLLECTION</u>					
WAGES & BENEFITS					
Security Officer	\$33,259	\$32,699	\$560	\$31,451	\$1,808
FICA	3,019	2,873	146	2,717	302
Pension	3,582	3,485	97	3,328	254
Health	6,255	6,831	(576)	5,995	260
Sick Pay	0	256	(256)	0	0
Vacation Pay	4,705	3,197	1,508	2,423	2,282
Holiday Pay	1,502	1,535	(33)	1,463	39
Other Paid Leave	0	128	(128)	162	(162)
Unemployment Insurance	161	70	91	77	84
VENDOR SERVICES					
Tickets, Tokens & Transfers	36,572	49,217	(12,645)	3,620	32,952
Farebox Parts & Repairs	12,579	16,500	(3,921)	15,482	(2,903)
Fare Processing	41,473	42,301	(828)	37,959	3,514
<i>Revenue Collection Subtotal</i>	<u>\$143,107</u>	<u>\$159,092</u>	<u>(\$15,985)</u>	<u>\$104,677</u>	<u>\$38,430</u>
Total Passenger Accommodations	\$965,931	\$1,006,592	(\$40,661)	\$924,095	\$41,836

GENERAL OVERHEAD EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<u>FINANCE</u>					
Staff	\$253,355	\$254,968	(\$1,613)	\$217,999	\$35,356
FICA	22,449	22,075	374	19,047	3,402
Pension	28,859	28,857	2	24,713	4,146
Health	45,887	49,919	(4,032)	41,075	4,812
Sick Pay	5,141	4,453	688	2,096	3,045
Vacation Pay	20,079	17,024	3,055	15,161	4,918
Holiday Pay	12,854	13,223	(369)	11,150	1,704
Other Paid Leave	2,540	1,102	1,438	2,576	(36)
Unemployment Insurance	1,121	490	631	492	629
Financial Audit Services	36,000	40,000	(4,000)	36,000	0
<i>Finance Subtotal</i>	<u>\$428,285</u>	<u>\$432,111</u>	<u>(\$3,826)</u>	<u>\$370,309</u>	<u>\$57,976</u>
<u>PERSONNEL</u>					
Staff	\$16,814	\$16,819	(\$5)	\$67,008	(\$50,194)
FICA	1,575	1,561	14	5,776	(4,201)
Pension	2,577	2,040	537	7,711	(5,134)
Health	3,300	3,588	(288)	12,052	(8,752)
Sick Pay	72	311	(239)	943	(871)
Vacation Pay	1,558	1,558	0	4,646	(3,088)
Holiday Pay	936	1,869	(933)	3,481	(2,545)
Other Paid Leave	371	156	215	708	(337)
Unemployment Insurance	161	35	126	154	7
<i>Personnel Subtotal</i>	<u>\$27,364</u>	<u>\$27,937</u>	<u>(\$573)</u>	<u>\$102,479</u>	<u>(\$75,115)</u>
<u>UTILITIES</u>					
Telephones/Data Communications	\$50,185	\$54,545	(\$4,360)	\$54,046	(\$3,861)
Power, Water & Trash	88,435	100,906	(12,471)	95,914	(7,479)
Two -Way Radio System	12,365	12,596	(231)	9,640	2,725
<i>Utilities Subtotal</i>	<u>\$150,985</u>	<u>\$168,047</u>	<u>(\$17,062)</u>	<u>\$159,600</u>	<u>(\$8,615)</u>
<u>OPERATING FACILITIES</u>					
WAGES & BENEFITS					
Service Workers	\$26,462	\$24,125	\$2,337	\$15,597	\$10,865
FICA	2,149	2,023	126	1,355	794
Pension	(364)	2,644	(3,008)	1,596	(1,960)
Health	3,446	3,749	(303)	4,184	(738)
Sick Pay	385	202	183	0	385
Vacation Pay	0	1,010	(1,010)	1,810	(1,810)
Holiday Pay	1,244	1,211	33	308	936
Other Paid Leave	0	101	(101)	0	0
Unemployment Insurance	161	70	91	23	138

GENERAL OVERHEAD EXPENSE

For the 9 Months Ending March 31, 2004

	ACTUAL	BUDGET	VARIANCE	PRIOR YR	VARIANCE
<i>OPERATING FACILITIES (cont'd)</i>					
SERVICE VEHICLES					
Parts & Repairs	\$18,176	\$12,000	\$6,176	\$10,742	\$7,434
Fuel	16,210	18,450	(2,240)	15,164	1,046
BUILDINGS & GROUNDS					
Property Insurance	13,850	12,674	1,176	13,493	357
Contract Maintenance	37,754	41,250	(3,496)	40,836	(3,082)
Repairs & Supplies	20,798	33,750	(12,952)	31,851	(11,053)
<i>Operating Facilities Subtotal</i>	<u>\$140,271</u>	<u>\$153,259</u>	<u>(\$12,988)</u>	<u>\$136,959</u>	<u>\$3,312</u>
<i>DISTRICT ADMINISTRATION</i>					
WAGES & BENEFITS					
Staff	\$467,994	\$370,903	\$97,091	\$243,859	\$224,135
FICA	25,129	30,230	(5,101)	22,496	2,633
Pension	70,158	39,778	30,380	22,227	47,931
Health	35,378	43,739	(8,361)	36,143	(765)
Sick Pay	29,712	24,415	5,297	492	29,220
Vacation Pay	29,934	50,582	(20,648)	17,481	12,453
Holiday Pay	9,431	12,478	(3,047)	11,302	(1,871)
Other Paid Leave	1,638	1,040	598	173	1,465
Unemployment Insurance	768	350	418	379	389
ADMINISTRATIVE SERVICES					
Director Fees	7,260	9,225	(1,965)	7,740	(480)
Public Officials Insurance	18,227	20,782	(2,555)	12,397	5,830
Legal Counsel	75,117	65,250	9,867	120,979	(45,862)
Pension Administration	8,905	7,500	1,405	8,171	734
Office/Comptr Equip Maint	16,723	22,125	(5,402)	38,559	(21,836)
Miscellaneous Services	33,532	14,869	18,663	16,207	17,325
MISCELLANEOUS EXPENSES					
Office/Computer Supplies	21,214	22,500	(1,286)	18,816	2,398
Dues and Subscriptions	17,931	18,000	(69)	24,458	(6,527)
Conferences & Meetings	5,114	7,500	(2,386)	27,825	(22,711)
Employee Relations	11,559	12,880	(1,321)	12,493	(934)
Retiree Health Insurance	22,258	23,639	(1,381)	17,940	4,318
Mandated Fees & Permits	94,860	65,625	29,235	8,926	85,934
Bus Ad Revenue Program	5,647	13,125	(7,478)	4,164	1,483
Miscellaneous	16,551	19,500	(2,949)	18,016	(1,465)
<i>District Administration Subtotal</i>	<u>\$1,025,040</u>	<u>\$896,035</u>	<u>\$129,005</u>	<u>\$691,243</u>	<u>\$333,797</u>
<i>Total General Overhead</i>	\$1,771,945	\$1,677,389	\$94,556	\$1,460,590	\$311,355

To: Chair Britton
Board Members
From: Sherrie Fisher, Interim General Manager
Date: 4/23/2004
Subject: Administrative Update

At the board meeting on April 27th, members of planning staff will describe details of **route and schedule changes proposed for September, 2004**. Most of these changes are designed to result in increased service or better on-time performance. These additional hours were found by reducing trips on lines (and holidays) with low ridership. Beyond those that were put back into other service, the final result is a decrease of approximately 1% of MTD's service hours. Any decrease in costs assists (the currently sinking) reserves.

Tuesday will be your first review of this information. Staff will not be asking for action at this meeting. Instead, a formal public hearing is being noticed for your May 11th board meeting.

Public outreach regarding these proposed changes has been extensive as noted below.

Date	Event	Location	Duration
11/12/2003	Driver Input Day	Driver break room	4 hours
2/5/2004	Driver Input Day	Driver break room	4 hours
2/10/2004	Passenger Input Day	State and La Cumbre bus stop	1.5 hours
2/11/2004	Passenger Input Day	North Hall bus circle	2 hours
2/11/2004	Passenger Input Day	Transit Center	3 hours
Week of March 1st	Line 13x ride along and rider survey	On route	1 hour
Week of March 1st	Line 26x ride along and rider survey	On route	1 hour
3/25/2004	Shirrell Way outreach	6069 Shirrell Way	1.5 hours
4/20/2004	Public Meeting for proposed route and schedule changes	Santa Barbara Public Library, Townley Room	1 hour
4/20/2004	Public Meeting for proposed route and schedule changes	Carpinteria Library, Multipurpose Room	1 hour
4/21/2004	Public Meeting for proposed route and schedule changes	SBCC, West Campus Bus Circle	2 hours
4/21/2004	Public Meeting for proposed route and schedule changes	Goleta Valley Community Center, Room 6	1 hour
4/22/2004	Public Meeting for proposed route and schedule changes	UCSB, Mission Room	1 hour
5/11/2004	Public Hearing	MTD Offices, Auditorium	1 hour
Total			25 hours

Barbra Nelson has given two weeks notice that she has accepted a position with a medical company in Goleta. Jim Haggerty, who has been with MTD 29 years, has accepted the position of **board clerk** assisting you and me (at least for this interim period). He is excited about the opportunity to work closely with the board and use his knowledge and experience in this new role.

Property insurance renews in May. Proposals have not yet been received from carriers, though some are expected on Monday before the board meeting. Staff will keep you updated with the intent of seeking your decision at the May 11th board meeting.

The process of installing the **maintenance department software package (Maximus)** has begun in earnest. Staff is greatly encouraged by the advances imbedded in this enhanced tool. Once installed and in use, we will offer you a tour.

The **Transit Center is celebrating a 30th birthday** on Friday, May 14th. You are cordially invited to attend this event as hosts. Please let Jim Haggerty know if you do plan to attend. Chocolate bars will be given to passengers, some including a free ticket for one ride.

The **bus shelter project on Milpas Street** is alive and well, but unfortunately the proposed costs are way over budget. COAST (Grant House) spearheaded this block grant for \$10,000. The bid (after ABR review and recommendations) is \$24,000 for the two shelters (one each in front of Trader Joes and Scholaris). MTD and COAST are desperately seeking a revision allowing the grant to be spent for one shelter leaving \$2000 to be paid by MTD. This money has a shelf life only through June of this year.

Staff met with UCSB Transportation and Parking Services this week (including Tom Roberts) to discuss mutual projects including a **magnetic stripe for student registration cards** so they can “swipe” them as passes in MTD fareboxes and resurrected the possibility of a staff and faculty pass.

A further meeting today with facilities management updates MTD staff on the **UCSB master plan**. The campus has a number of **exciting projects on campus** and **housing increases in Isla Vista** in the works and ensures MTD that coordination with transit infrastructure requirements is a priority.

A planning meeting with County staff members today resulted in requests for a variation on the UCSB/Elwood shuttle option (**SCTP/CMAQ grant**). City of Goleta will offer their City Council an opportunity to review a shuttle proposal May 3rd. City of Santa Barbara planning and transportation staff seeks more information on increased Mesa service to mitigate traffic and congestion. Steve Maas is working diligently on an analysis of this input and the associated opportunities.

MTD is proud of the **website** information that is clearly being well used. In case you have ever wondered how many “hits” MTD receives on the **web-site**, Marketing has

provided the information below. Note also that anyone signed up for **MyMTD** receives e-mail updates on such MTD issues as proposed route or schedule changes. This is proactive way to communicate with passengers who have expressed an interest.

Web Report Jan – Mar 2004

	Avg Hits / Day	Visits / Day	Avg Hits / Visitor	Minutes / Session
JANUARY 2003	46,481	810	57	6.12
FEBRUARY 2003	47,042	836	56	5.00
MARCH 2003	40,506	711	57	5.48
AVERAGES	44,676	786	57	5.53

Definitions:

- Avg hits / day = counted clicks (pages, buttons, graphics, forms, etc.)
- Visits / day = unique individual visitors per day
- Avg hits / visitor = Avg Hits/Day divided by Visits/Day
- Minutes / session = average length of time an individual spends on the website

The **new Gilligs** continue to arrive weekly as promised. MTD passengers and drivers alike are pleased with the smooth ride, cloth seats, bike racks and additional wheelchair positions. Maintenance is in training for care of this new fleet.

The following information has been prepared as a passenger hand-out. ECD plans to film a commercial here in SB promoting this fuel.



The introduction of ultra low sulfur diesel has enabled the Santa Barbara Metropolitan Transit District (MTD) to utilize new catalytic technology. Together, these technologies result in buses with lower emissions, lower costs and greater fuel efficiency than vehicles running on other fuels, including compressed natural gas (CNG).

Extensive testing has proven that using ultra low sulfur diesel considerably reduces diesel emissions. The most significant reduction is that of Particulate Matter (PM), which has been listed as a toxic air contaminant and is the main component of smoke and odor associated with traditional diesel buses. MTD has made the environmental choice to

include a catalyzed particulate filter which reduces PM, Hydrocarbons (HC), and Carbon Monoxide (CO), by more than 90%.

The MTD has long been known for advances in battery electric technologies, however, this technology works best in specific niche markets. We have made great environmental progress in markets that are not conducive to the use of battery electric buses. As you can see, the MTD is utilizing the most advanced diesel technology to provide our passengers with one of the cleanest most efficient transit agencies in the nation.